15F1

Solid Waste Collection Services Information Workshop

City Council

City of Milpitas

May 23, 2016

Informational Workshop

- Receiving input from City Council and the community regarding collection options
- No recommendations are being brought to Council tonight
- Council is not taking action on any decisions tonight

Agenda

- Review Process Goals
- Summary of Community Outreach
- Review Base/Alternative Collection Service Specifications
- Collection Proposer Presentations
- Council Questions and Discussion
- Community Input

Key Goals for the Process

Council-Approved Communication Policy

- Limits proposer communication with Council and staff
- Applies to Commissions
- Proposers to register; attest to adherence to policy
- HF&H receives all proposer questions

Community Outreach Process

- Public Workshop on Proposals
- Email/Phone Survey of Residents
  - Input on Service Specifications
  - Random 300+ Households for Statistical Significance
  - Includes Non-English Speaking Homes
- RSRAC Meeting - May 25
- Business Community Meeting - TBD

Base and Alternative Services

- Base Services
  - Services closely match current services, and may include desirable but low-cost additions
  - Provides a close comparison to current services and pricing
- Alternative Services
  - Separate incremental pricing (+ or -) for services the Council may, at its sole discretion wish to add at the beginning of the new contract, during the term, or not at all
  - Incremental pricing to assist commercial and MFD customers in understanding new mandated services
- Types of Alternative Services
  - Those requiring proposer responses
  - Innovative or cost saving proposals offered by proposers

State Policy Issues Driving Service Specifications

- AB 341 – Mandatory Business and Multi-Family Recycling
- AB 1826 – Mandatory Business and Multi-Family Organics
- CARB – Short Lived Climate Pollutant Reduction Strategy (Landfill Organics Phase-Out 2018-2025)

Single Family Services, Part 1

Program	Base Services	Alternative Services
Solid Waste – Current Services, or "Functional Equivalent" -Single monthly rate -Unlimited service -Customer-provided container option -96 gallon carts available from company for a fee	✓	
Solid Waste – Cart System -32, 64 and 96 gallon carts -Unlimited set-out options		✓

Single Family Services, Part 2

Program	Base Services	Alternative Services
Recycling – Current Service Plus -64 and 96 gallon carts -Company-provided carts -Expanded list of recyclables	✓	
Yard Trimmings – Current Service -96 gallon carts -Stickers for overages	✓	
Food Scraps - Food scraps - Food-contaminated paper		✓
On-Call Collection at the Curb - Replace community-wide cleanups - Up to 4 times per year - Pre-scheduled - Large allowable set-outs	✓	

Single Family Services, Part 3

Program	Base Services	Alternative Services
Current Other Services - Sharps mail in -Cell phone drop-off -Curbside battery -Pharmaceutical drop-off	✓	
Streetsweeping - Current service level; option to change - City option to separately contract in the future	✓	
New Added Services - Cooking oil collection, drop-off		✓
Billing Services - Contractor with local option for bill pay	✓	

Multi Family Services, Part 1

Program	Base Services	Alternative Services
Solid Waste, Current Services -96 gallon carts and/or 1-8 cu. yd. bins -Company-provided containers	✓	
Recycling, Current Services Plus -32, 64, 96 gallon carts and/or 1-8 cu. yd. bins -Company-provided containers -For an additional fee -Expanded recyclable materials	✓	

Multi Family Services, Part 2

Program	Base Services	Alternative Services
Yard Trimmings, Services as of January 2016 -Continue compliance with early AB 1826 requirements	✓	
Yard Trimmings, Future Services -Add compliance with later AB 1826 requirements		✓
Flexible Collection Options - Tailor to varied housing types	✓	

Commercial Services, Part 1

Program	Base Services	Alternative Services
Solid Waste, Current Services -96 gallon carts or 1-8 cu. yd. bins	✓	
Recycling, Current Services Plus -32, 64, 96 gallon carts or 1-8 cu. yd. bins -For an additional fee -Expanded recyclable materials	✓	
Food Scraps, Current Services -Continue current pilot-scale food scrap program	✓	

Commercial Services, Part 2

Program	Base Services	Alternative Services
Yard Trimmings and Food Scraps, as of January 2016 -Continue compliance with early AB 1826 requirements	✓	
Yard Trimmings and Food Scraps, Future Services -Add compliance with later AB 1826 requirements		✓
Permanent Roll-Off and Compactor Service - 10 – 40 cubic yards	✓	
Temporary Debris Box Service - Continue non-exclusive system	✓	
Temporary Debris Box Service - Make service exclusive to franchise		✓

Collection Proposers

Proposer	Disposal	Collection
California Waste Solutions		X
Garden City Sanitation		X
Green Team		X
GreenWaste Recovery	X	X
Republic Services		X
Waste Management	X	X

Collection Proposer Presentations

- Content
  - Company History and Qualifications
  - Technical Approach
  - Environmental Considerations
  - No Costs or Contract Issues
- Sequence (Reverse Alphabetical Order)
  - Waste Management
  - Republic Services
  - GreenWaste Recovery
  - Green Team
  - Garden City Sanitation
  - California Waste Solutions
- 15 minutes each, followed by Q&A by City Council

15F2

CALIFORNIA WASTE SOLUTIONS

Collection and Processing of Recyclable Materials and Organic Materials

California Waste Solutions, Inc.

1005 Timothy Dr.
San José, CA 95133

Phone: 408.292.0830/ Fax: 408.292.0833
www.calwaste.com

© 2015 California Waste Solutions, Inc.

California Waste Solutions, Inc. (CWS) has marked certain private financial papers in Section 9 with "Confidential."
CWS fully understands and complies with the provisions of the RFP on confidential matters.
CWS appreciates the City of Milpitas' efforts to uphold confidentiality.

Printed on 50% post-consumer content paper.
PVC-free binder composed of 98% recycled materials (cover board 98% post-consumer content)

This page intentionally left blank.

October 27, 2015

Mary Lavelle, City Clerk
City of Milpitas
City Hall
455 East Calaveras Boulevard
Milpitas, CA 95035

Dear Ms. Lavelle:

California Waste Solutions, Inc. (CWS) is pleased to submit this proposal to the City of Milpitas in response to the Request for Proposals (RFP) issued on July 6, 2015.

CWS is real recycling in action

CWS currently serves approximately 325,000 customers in the communities and neighborhoods to the north and south of Milpitas. This includes residential collections along with commercial customers, City-owned facilities, and special events. Approximately 438,000 tons of recyclables are processed at CWS's three regional Materials Recovery Facilities (MRFs): one in San José and two in Oakland. The resulting commodities and materials are effectively marketed to end users who convert them into new products.

The Bay Area region is our home, and we are excited and enthusiastic about the possibility of developing a relationship with the City of Milpitas, working hand-in-hand to provide citizens and businesses with services and programs that are second to none.

CWS is a strong and growing Bay Area business

CWS excels at collecting and processing municipal solid waste and marketing recyclable materials, and currently collects from over 325,000 residences and businesses in San José and Oakland under franchise agreements.

In 1992, the City of Oakland awarded CWS its first public-sector contract. This franchise agreement has doubled in size since its original award. In 2002, we began processing the residential recyclables for the City of San José, and began collecting and processing in 2007. In 2015, we were awarded all residential recycling collection and processing for the City of Oakland.

CWS is a recognized industry leader

CWS is a strong and well established, yet entrepreneurial and nimble, vertically integrated company that was founded nearly 25 years ago. We have the overall corporate and operational experience and resources, and specific expertise, to continue successfully and effectively managing the expanded responsibility of the City of Milpitas' collection and processing contract—attributes that make us the ideal partner for the City.

For the past 23 years, CWS has been a clear leader in accessing and marketing most recycling material grades to Asian markets for a wide variety of recyclable material generated from single-stream collection programs, including hard-to-recycle grades of paper and plastic. *Waste Age Magazine* has consistently ranked CWS as one of the top recycling companies in America, and the firm received several awards from the California Integrated Waste Management Board.

With our collection and processing approach, we are confident of our ability to achieve Milpitas' diversion mandates from the State of California, including the commercial organics requirements that are upcoming. Our current, higher than industry standard material recovery rates clearly demonstrate that our focus on and approach to recycling works. Building on our successful materials marketing program, CWS will continue to positively impact Milpitas' recycling dynamic.

CWS lives and works in our region

CWS, a privately held, minority-owned, recycling and waste management California corporation and Bay Area business enterprise, has provided waste materials collection and processing services in the Bay Area and Santa Clara County since 1992.

CWS is one of the largest recyclers in Northern California. We process materials from the communities from where we collect recyclables and also from a number of other Bay Area and Santa Clara County communities. CWS also operates, dispatches, supervises, and maintains a fleet of nearly 100 trucks that provide residential and commercial collection services and landfill and port transfer services.

CWS's San José corporation yard and materials recovery facility is approximately 10 minutes from downtown Milpitas. Also, CWS facilities and Milpitas are equally accessible from Highways 101, 680, 880, and byways of commercial boulevards. These different and convenient points of access between CWS facilities and Milpitas assure prompt and reliable service regardless of road and traffic conditions.

We look forward to demonstrating our strong commitment to being a model corporate citizen by taking an active role in supporting Milpitas as a quality place to live and work, and by helping it continuously improve. CWS has supported numerous Bay Area and Santa Clara County schools and local organizations such as Creek to the Bay and many more, thus illustrating CWS's commitment to sustaining organizations that are working to enhance our customers' quality of life. Because we are integrated into the fabric of this region, the women and men who work for, manage, and own CWS look forward delivering efficient, effective and quality collection and processing services to the City of Milpitas through this contract.

CWS provides local access to world markets

CWS has further expanded its business activities internationally to include development and full operation in Vietnam of the first American standards compliant landfill that processes 5,000 tons per day and includes a MRF, composting operation, water treatment plant, landfill gas-to-energy production and soon to include provide anaerobic digestion system to further conserve landfill space and generate bio-fuels for electric and natural gas generation. CWS also has long-standing partnerships with Vietnamese and Chinese paper and plastic mills. In short, CWS is a recognized, award-winning international company with the capability of increasing diversion for the City of Milpitas through our mature and strategically located collecting, processing, and recyclable materials marketing operations and alliance composting and landfill operations.

CWS wants you to *recycle*

CWS has an economic incentive to see that recycling tons increase and that contamination in those recyclable setouts decrease. Therefore we will work hard to see that the City's residual percentages are as low as possible. Our guiding principles lead us to efficiently, cleanly, and consistently increase the volume

of recyclable material collected, recover as much as possible through processing, and market the recovered material to responsible industrial users.

Well-designed and -distributed public messages and education are fundamental to accomplishing Milpitas' waste diversion goals. Our past public outreach and education initiatives in Oakland and San José have helped to reduce contamination while increasing the overall volume of recyclable materials set out by residents. Moving forward, CWS proposes to implement an innovative, data-driven public education program that targets and refines messages for maximum effectiveness.

CWS has a strong team with complementary expertise

Our team includes seasoned and competent, innovative professionals to provide a level of service that Milpitas residents and businesses can trust to do everything necessary to continue collecting recyclables on time and handling them in an environmentally responsible manner. David Duong and his family built CWS from the ground up. He understands the equipment, systems, and the financial and regulatory structures that support them. Victor Duong and Kristina Duong work closely with the president/CEO on issues related to marketing, administration, profit and loss, financing, procurement, and environmental and contract compliance. Our transition team is led by these company owners and includes our capable internal staff and specialty consultants.

CWS strongly believes in and is absolutely committed to innovation, providing customers with exceptional service, protecting the environment, caring for employees in the best ways possible, providing a positive impact on the communities we serve, and keeping current and planned facilities and equipment up to date and in peak operating condition.

CWS: Required information

The official name of the entity that will sign the collection contract, if awarded to CWS, and the key contact information is as follows:

California Waste Solutions, Inc.
David Duong, President and CEO
1820 10th Street, Oakland, CA 94607
510.832.8111 / Fax: 510.832.8206
davidduong@calwaste.com

CWS is a privately owned full-service recycling and waste management company operating in Northern California since 1992. It is a California Corporation, and a local minority business enterprise with offices in the Cities of Oakland and San José.

We hereby state and certify that CWS has examined, understood, and agreed to all requirements set forth in the *Franchise Agreement for Collection of Solid Waste and Collection and Processing of Recyclable Materials and Organic Materials (RFP Version, July 6, 2015)*.

With submittal of this Collection Proposal, California Waste Solutions acknowledges and accepts all terms and conditions of the Collection Agreement, except for any exceptions taken in Section 5 of our proposal.

The requirements of the contract as described in the RFP, its enclosures, attachments, and all addenda have been thoroughly reviewed, and necessary due diligence was conducted to confirm material facts upon which our Proposal is based. Addenda received, along with dates received, are listed in the table below.

Addenda Received

Item	Received
Addendum 1	August 13, 2015
Addendum 2	September 21, 2015
Addendum 3	September 29, 2015

These addenda were downloaded by and fully reviewed by California Waste Solutions.

Should the City of Milpitas award the Contract to CWS, a payment in the amount of Two Hundred Thousand Dollars ($200,000), as set forth in Section 3.5 and Section 5.9.1 of the RFP will be made to the City for reimbursement of the cost of this procurement within the specified time period following execution of the contract.

Section 9 (Financial Documents) of this Proposal is clearly identified as "Confidential" as it contains sensitive, private financial information about CWS, a privately owned corporation. CWS fully understands and complies with the provisions of the RFP on confidential matters and appreciates the City of Milpitas' efforts to uphold confidentiality under the provisions of the California Public Records Act.

CWS is your new partner

CWS is a growing local company and will not take the City of Milpitas for granted as a client. We have dedicated considerable attention and resources to this proposal and promise to apply the same level of commitment during the life of the contract.

We look forward to the opportunity to discuss our proposal with the City and its evaluation team. We are confident that our reliable, high quality and efficient service will meet and exceed the high level of excellence that the residents, business owners, property owners, and the City expect and deserve. If you have any questions or need additional information, please contact me directly anytime at (510) 715-2203 or Joel Corona, Chief Operating Office, at (408) 292-0830.

Sincerely,
California Waste Solutions, Inc.

David Duong
President and CEO

Proposal Surety

The proposal surety is provided under separate cover.

This page intentionally left blank.

Table of Contents

1. COMPANY DESCRIPTION 1-1

1.A. BUSINESS STRUCTURE 1-1

1.B. AFFILIATED COMPANIES AND TEAM MEMBERS 1-6

1.C. COLLECTION AND STREET SWEEPING EXPERIENCE 1-12

1.C.1. Collection Experience 1-12

1.C.2. Street Sweeping Experience 1-13

1.C.3. Service Initiation Experience 1-14

1.C.4. Other Related Experience 1-22

1.D. KEY PERSONNEL 1-24

1.D.1. Key Staff 1-24

1.D.2. Owners 1-25

1.D.3. Management Staff 1-26

1.E. LABOR AGREEMENTS AND WAGES 1-30

1.E.1. Labor Agreement: 1-30

1.E.2. Employee and Labor Relations 1-31

1.F. PAST PERFORMANCE RECORD 1-32

1.F.1. Litigation and Regulatory Actions 1-32

1.F.2. Payment of Fines, Penalties, Settlements, or Damages. 1-34

1.G. FINANCIAL INFORMATION 1-34

1.G.1. Audited Financial Statements 1-34

1.G.2. Financing Plan (Sources and Uses) 1-36

2. TECHNICAL PROPOSAL FOR BASE PROPOSAL 2-1

2.A. COLLECTION 2-1

2.A.1. Base Waste Assumptions 2-4

2.A.2. Carts and Bins 2-4

2.A.3. Container Sizes and Types 2-7

TABLE OF CONTENTS

2.A.4. *Vehicles* 2-8

2.A.5. *Collection Methodology* 2-16

2.A.6. *Labor, Management, and Coordination* 2-17

2.A.7. *Collection Services Operations and Management* 2-18

2.B. RECYCLABLES MATERIALS PROCESSING 2-20

2.B.1. *CWS Timothy Drive MRF* 2-21

2.B.2. *Berryessa Facility* 2-28

2.B.3. *CWS's contractor GreenWaste Recovery, Inc. and Zanker Road Resource Management* 2-28

2.B.4. *California Waste Solutions Common Facilities Best Practices* 2-29

2.C. ORGANIC MATERIALS PROCESSING, CONSTRUCTION AND DEMOLITION MATERIALS AND TEMPORARY DEBRIS BOX RECEIPT AND PROCESSING 2-35

2.C.1. *Processing Site Information* 2-36

2.C.2. *Permits and Regulatory Compliance* 2-39

2.C.3. *Commitment Letter of Processing Capacity* 2-41

2.C.4. *Import Restrictions or Fees* 2-42

2.C.5. *Transfer Method* 2-42

2.D. RESIDENTIAL ON-CALL BULKY ITEM CLEAN-UP EVENTS 2-44

2.D.1. *System features and benefits* 2-44

2.D.2. *C&D and Bulky Item Processing* 2-44

2.E. PUBLIC OUTREACH 2-45

2.E.1. *Transition Public Outreach* 2-45

2.E.2. *Mass mailings and Print Pieces* 2-48

2.E.3. *Events* 2-50

2.E.4. *Direct Communications* 2-52

2.E.5. *Networking and Virtual Presence* 2-52

2.E.6. *Special Messaging and Reporting* 2-54

2.E.7. *Street Sweeping* 2-57

2.F. MULTI-FAMILY/COMMERCIAL RECYCLING TECHNICAL ASSISTANCE 2-57

2.G. CUSTOMER SERVICE 2-58

2.G.1. Customer Service Plan *2-58*

2.G.2. Customer Service Technology Platform *2-59*

2.G.3. Customer Service Protocol *2-61*

2.H. CUSTOMER BILLING 2-63

2.I. MULTI-FAMILY AND COMMERCIAL RECYCLING AND ORGANICS PLAN 2-66

2.J. SUBCONTRACTORS 2-68

2.K. MANAGEMENT AND CUSTOMER SERVICE SYSTEMS 2-68

2.K.1. Training *2-68*

2.K.2. Reporting *2-76*

2.L. CORPORATION YARD AND MAINTENANCE FACILITIES 2-79

2.L.1. Vehicle Maintenance and Support *2-79*

2.L.2. Berryessa Road Maintenance Facility *2-80*

2.M. STREET SWEEPING 2-80

2.M.1. Scope of Work *2-80*

2.M.2. Alternative Fuel Use *2-85*

2.M.3. Vehicle Maintenance *2-87*

2.M.4. Financing Method *2-87*

2.N. IMPLEMENTATION PLAN 2-87

2.N.1. CWS Transition Team *2-88*

2.N.2. Customer Experience Assurance *2-89*

2.N.3. Timeline *2-90*

2.N.4. Transition Outreach and Education *2-91*

3. TECHNICAL PROPOSAL FOR ALTERNATIVE SERVICES 3-1

3.A. SINGLE-FAMILY SOLID WASTE CART-ONLY SYSTEM (REQUIRED) 3-1

3.B. SINGLE-FAMILY FOOD SCRAPS WITH YARD TRIMMINGS (REQUIRED) 3-2

3.C. MULTI-FAMILY YARD TRIMMINGS COLLECTION AS MANDATED BY AB 1826 – POST 2017 (REQUIRED) 3-2

3.D. COMMERCIAL YARD TRIMMINGS AND FOOD SCRAPS COLLECTION AS MANDATED BY AB 1826 – POST 2017 (REQUIRED) 3-4

3.E. TEMPORARY DEBRIS BOX SERVICE (REQUIRED) 3-5

3.F. SCHEDULED PAY-AS-YOU-THROW CLEAN-UP AND BULKY SERVICE FOR SFD 3-5

4. ENVIRONMENTAL CONSIDERATIONS (OPTIONAL) 4-1

4.A. DIVERSION PLAN 4-1

4.A.1. On-Sight – CWS's Proactive Illegal Dumping Collection Program 4-4

4.A.2. Audits to Spot-Check Successes and Opportunities 4-5

4.A.3. Building Diversion Capacity in the Bay Area and Santa Clara County 4-8

5. ACCEPTANCE OF RFP AND FRANCHISE AGREEMENT 5-1

6. COST PROPOSAL 6-1

6.A.1. Base Cost Proposal 6-1

6.A.2. Cost Proposal for Alternative Services 6-1

7. OTHER PROPOSAL FORMS 7-1

7.A.1. Secretary's Certificate 7-1

7.A.2. Anti-Collusion Affidavit 7-1

7.A.3. Iran Contracting Certification 7-1

8. ATTACHMENTS 8-1

9. FINANCIAL STATEMENTS; ADDITIONAL MATERIAL MAY BE INCLUDED AT PROPOSER'S DISCRETION (OPTIONAL) 9-1

Attachments

Attachment 1 Affiliated Companies and Team Firms 8-1

Attachment 2 Bank and Financing Letters of Support 8-1

Attachment 3 City of San José Reference Letter and Certificate of Commendation 8-1

Attachment 4 California Waste Solutions (CWS) Solid Waste companies and facilities in Vietnam.. 8-1

Attachment 5 Labor Agreements 8-1

Attachment 6 Public Outreach Samples and Past Event Participation 8-1

Attachment 7 Additional Vehicle and Cart Information—Brochures 8-1

Attachment 8 Proposed Equipment—Vehicles, Containers 8-1

Attachment 9 Transition Schedule—Gantt Chart 8-1

Table of Figures

Figure 1 CWS Organizational Chart 1-3

Figure 2 Milpitas Transition Team Organizational Chart 1-4

Figure 3 Milpitas Operations Team Organizational Chart 1-5

Figure 4 CFO Statement 1-35

Figure 5 Recyclables Collected by CWS 2-3

Figure 6 Sample Billing Statements 2-65

Figure 7 Charts from EPA 2-66

Figure 8 Draft Site Drawing – Berryessa Rd. Processing Facility 4-11

Table of Tables

Table 1 City of San José Diversion 1-20

Table 2 Private Companies Serviced by CWS Oakland 1-22

Table 3 Sources and Uses of Funds for Base Proposal and Alternative Proposals 1-36

Table 4 Solid Waste Set-out Containers – All customers (Subject to City of Milpitas Approval) 2-4

Table 5 Recycling Set-out Containers – All customers (Subject to City of Milpitas Approval) 2-5

Table 6 Organics Set-out Containers – All customers (Subject to City of Milpitas Approval) 2-6

Table 7 Emission Reductions for CNG Vehicles Compared to Diesel Vehicles 2-9

Table 8 Vehicle Equipment Metrics 2-10

Table 9 CWS MRF Capacity 2-20

Table 10 Staffing at Timothy Drive MRF 2-22

Table 11 CWS Facility Permits 2-35

Table 12 CWS Reporting Requirements 2-76

TABLE OF CONTENTS

Table 13 Milpitas Annual Street Sweeping 2-83

Table 14 Default and Optional Cart Sizes for SFD Collections 3-1

Table 15 Diversion Program Action Item Schedule 4-7

Executive Summary

CWS seeks to provide the SOLID WASTE, RECYCLABLES AND ORGANICS COLLECTION and PROCESSING SERVICES portion as defined in the Request for Proposals (RFP) issued July 6, 2015.

CWS – Strong Local Team; Highly Committed to the Bay Area and Santa Clara County

With deep roots in San José, Oakland, Santa Clara County, and all of the Bay Area, CWS strives to provide exemplary and innovative service, protect the environment, exceed customer expectations, maintain a positive and rewarding work environment, and constructively affect communities in which it works. CWS has enjoyed a productive relationship with the City of Oakland since 1992 and the City of San José since 2002. CWS will similarly build a strong partnership with the City of Milpitas with this new franchise, during transition and beyond, as CWS provides excellent collection and diversion services, thorough tracking and reporting, and continuous communication with City staff and other program stakeholders.

CWS's team of managers and line employees has the extensive backgrounds, experience and expertise to ensure a successful partnership with Milpitas. Key team members include: David Duong, President, lead executive and responsible party, with over 25 years' experience in collecting, processing, product development, marketing and brokering; Victor Duong, Vice President, involved in nearly every area of CWS activities including operations interface to ensure support, guidance, and resources for all CWS programs; and, Joel Corona, Chief Operations Officer, who manages operation and expansion of collection and processing services and facilities, including development of a new, mixed materials processing facility.

Other team members include Westhoff, Cone & Holmstedt and Union Banks for public finance; J.R. Miller & Associates for facility design, site planning, and engineering; Kneal Resource System for public education, communications and local communities engagement; and, Gershman, Brickner, & Bratton, Inc., (GBB) for solid waste management consulting.

Our Plan – Pathway to Success

Section 2 and Section 3 that details our plan to meet and exceed the City's requirements is highlighted below:

Diversion: Our program will increase diversion through continuous modernization of equipment and processes and implementation of bold, achievable, and consistent public education initiatives. According to our diversion plan, we are confident of meeting a 40 percent rate by 2020, using the AB939 counting method.

Transition: Given that CWS currently collects and processes recyclables on Milpitas' southern border in San José and provides collection and processing operations near the northern border, including the City of Milpitas constitutes an expansion of current operations as opposed to an initiation of a new start-up operation. CWS's expansion into Milpitas will involve our full attention and expansion of our human resources—drivers, supervisors, manager, customer service, public education, outreach and accounting and reporting services. Particular attention will be focused on service transition, outreach about new services, and to new customers. That outreach assures a seamless transition and continuity of service with no interruption to customers. CWS has conducted very successful transitions in both San José and Oakland, cities with a combined customer base of over 325,000 that required seamless transition of our services at the time of contract initiation and/or expansion, and always done with issue. In 2007, the City of San José officially recognized CWS as providing an excellent collection service transition from to CWS from Recology. A Gantt chart in Attachment 9 details planned transition activities for the collection and processing services CWS proposes to perform for the City of Milpitas.

Collection: CWS, collecting curbside since 1992, maintains a high collected-on-time percentage. Milpitas customers should experience the same high level in service. Residents will receive new collection carts that will likely be the same size or larger than their current ones and, in general, collection days will remain the same. Our collection fleet will be expanded with new, CNG powered vehicles that reduce greenhouse gas (GHG) emissions and operate more quietly than petrodiesel-powered trucks. CWS trucks are each equipped with a global positioning system (GPS) and on-board cameras and radios to assure the best supervision and accountability to the City. CWS will collect the full range of recyclables identified by the City, including specialized targeted materials such as batteries, used motor oil and filters, and used cooking oil. CWS's street sweeping fleet will have on-board global, visual and radio positioning systems comparable to its collection vehicles.

Processing: CWS proposes processing the City of Milpitas recyclable materials and an optimal amount of organic material at its San José Timothy Drive MRF and its Berryessa Road location. CWS operates three single stream MRFs in the East Bay Area. Our largest facility is in San José, and there are two additional facilities in Oakland. CWS facilities process materials from the communities where we collect recyclables and our Oakland facilities also process materials from a number of other Bay Area communities, including Santa Clara County. Each of CWS's facilities has sufficient capacity to serve the City of Milpitas. Together they create a network of exceptional capacity and availability. CWS also operates, dispatches, supervises and maintains a fleet of nearly 100 trucks that provide residential and commercial collection services and transfer services to port and markets for product sales and to landfill for residue disposal. Each of our MRFs processes single-stream and source-separated residential and commercial materials through modern equipment. City of Milpitas material will be processed at the existing Timothy MRF facility located at 1005 Timothy Drive in San José. As is our operational model, this facility will be continually expanded to increase both capacity and diversion performance. Contingent processing services are available at our Oakland MRFs. Additionally, CWS is developing a new state-of-the-art MRF in West Oakland called the Oakland Gateway Facility. The Oakland Gateway Facility is being developed on the former Army Base, located

adjacent to the Port of Oakland where CWS exports the majority of its recyclables products, and will consolidate all CWS Oakland processing activities into one state-of-the-art location. The Oakland Gateway facility will become a contingency processing facility for Milpitas. CWS's redundant processing capacity provides Milpitas's leadership with the confidence that its materials will be processed and diverted at CWS-owned nearby facilities.

CWS will provide Milpitas processing by both CWS facilities and at local ally Green Waste Recovery/Zanker Recycling. In addition to providing the processing of residential and commercial recyclable materials at its Timothy Drive MRF, CWS could also expand recycling and add anaerobic digestion services to its 1120 Berryessa Road facility. We discuss this idea in Section 4, Environmental Considerations, as a possibility that is yet to be proposed. In this idea, CWS would utilize the Berryessa facility for the processing and transfer of organics and construction and demolition materials. However, for the proposal submitted today, GWR/Zanker Recycling are identified as the facilities to which CWS will deliver organics and construction and demolition materials for processing, diversion, and disposal. (Note that Green Waste Recovery and Zanker Recycling companies also intend to compete for the City of Milpitas business and each are competent competitors to serve your city.)

In the possible expansion of Berryessa, CWS could explore transfer of solid waste or processing residue for disposal. Any such transfer of solid waste or residue would only occur after CWS had acquired the necessary permits for that operation. Favorably to Milpitas, at CWS's Berryessa facility, we could employ the Wilkens trailer system that enables direct transfer of material from a collection truck to a transfer trailer, removing the need for CWS to acquire a comprehensive solid waste facilities permit. For the proposal submitted today, however, CWS will deliver MRF residue at the Green Waste Recovery transfer station or an alternative permitted disposal facility.

Special Materials: CWS will continue teaming with companies that specialize in handling and disposal of household hazardous waste, used motor oil and filters, used cooking oil, batteries, and sharps. Thus, CWS ensures that special materials continue to be properly managed, recycled, and diverted from landfill. The public will continue to be educated about the proper handling and discard of special materials. CWS has had agreements with contractors in these spaces for greater than 20 years. To divert bulky waste and reusable items from disposal, CWS proposes to work with local charities and nonprofits. We would begin my continuing any current relationships with such programs that the City already has, and then reach out to community organizations to determine need and capacity for additional materials.

Customer Service: Customer service is a priority and CWS will increase the current customer service staff, house their activities in our fully-equipped and operating San José location, comply with all requirements for call answering and response times, and publicize our phone number. Our Visual ACS-Tower customer service and account software program details and logs call center transactions and City staff will have access to various reports. CWS will continually review operational data to identify opportunities for service improvement.

Public Education: CWS will pursue creative and compelling public communications and collateral to improve recycling and waste reduction behaviors and habits. We advocate City approval of a campaign that motivates residents of Milpitas to maximize recycling practices and drives behavioral change through ongoing refinements. Innovative messaging and involvement with students and community-based organizations will be used. Research from behavioral sciences will be incorporated into effective message development. In addition, all customer-facing CWS staff are inherently part of the outreach program, gathering information from the field and talking to customers directly on a day-to-day basis.

Employee Training: CWS has a variety of ongoing training programs that address health and safety, proper equipment handling, workplace behavior, etc.

Labor Relations: Employees are currently represented by one union in the Santa Clara County and our employees receive professional wages and generous benefits under our collective bargaining agreements. CWS and the existing contractor work with the same Teamsters Union Local and have very similar labor agreements. CWS will work collaboratively with the previous contractor and the Teamsters Local to preserve jobs for qualified drivers, operators and laborers and minimize disruption of a favorable work and customer relationship. CWS maintains a local recruitment and hiring priority for new employees and local employee retention program.

Synergistic Benefits: Award of the City of Milpitas services to CWS will result in greater value to Milpitas than if it selected a newer or more distant contractor than CWS. Because each will operate exclusively out of the neighboring San José facility, more well-compensated jobs will be available to Milpitas residents, public education strategies and implementation will be better coordinated, and the City will have an all "in-Milpitas" solution. In Summary, CWS is Milpitas's Solution for maximizing waste diversion and having sustainable solid waste and recyclables collection and processing services!

1. Company Description

1.A. Business Structure

CWS is a local company that provides efficient and personalized service. CWS prides itself on the high level of professional skills, business and industry experience, as well as for building a diverse management team that includes a variety of professional backgrounds. As it does with its other clients, CWS will create a team that is well versed in all details of services provided to the City of Milpitas. City staff will have one contact person to call any time to discuss the operations of this service agreement. Joel Corona, CWS Chief Operations Officer, will lead this team and be the direct contract for the City. CWS management will support every part of this contract with Milpitas City colleagues.

CWS has operated in the Bay Area since 1992. David Duong and his family entered the recycling and waste handling industry in 1985 with their first company, Cogido Recycling. Soon after arriving in the United States from Vietnam in 1983, the Duong family built Cogido Recycling from the ground up with limited working capital and investing a lot of hard labor and long hours. By recognizing a unique opportunity for business development and capitalizing on their family, community, language and cultural ties to the Vietnamese and Chinese markets, the family successfully grew strong post-consumer end-use markets for various grades of reclaimed materials that were not easily recycled in the United States. The Duong family sold Cogido Recycling to Norcal Waste Systems, Inc. (Recology) in 1989 and subsequently formed California Waste Solutions, Inc.

Since then, CWS has evolved and grown into one of the largest recyclers in the Bay Area, including Santa Clara County. CWS owns and operates four materials recovery facilities (MRF) – two in Oakland, one in San José, and one in Vietnam – as well as a dispatch and repair facility for a fleet of collection and transfer trucks. The following relevant experience highlights CWS's history in the recycling and collection industry as well as the highly experienced and motivated team that CWS has assembled for this proposal. The CWS team has built a business that serves customers and sources materials throughout the western United States and beyond.

CWS proposes to provide the City a seamless transition from the current franchisee that is well-managed, trouble-free, and opportunity rich. CWS service will enable the City of Milpitas to achieve and exceed its diversion goals, in great part by reducing residue sent to the landfill.

The skills of the CWS team include the following:

- Residential collections
- Recycling facility operations
- Transfer station operations
- Commodity sales
- International relations
- Mill processing
- AB939/AB341/AB1826 diversion
- Hazardous waste collection and recycling
- Commercial collections
- Composting
- Regulatory compliance
- Global shipping
- Water treatment
- Motor Oil management
- Alternative Fuels
- Public education program development and implementation
- Industrial collections
- Landfill engineering
- Material Brokerage
- Equipment maintenance
- Facility design
- Program development
- E-waste recycling
- Bulky collection and processing

CWS believes that the professional and cultural diversity of its management team results in great innovation, and employee and customer relationships. CWS is proud to provide essential neighborhood services with a global perspective relating to personnel and "World Class Customer Service", equipment design, environmental sustainability and material marketing.

On the following pages, Figure 1 shows our corporate organizational chart; Figure 2 shows the transition team that will work between selection and through service initiation in Milpitas; and, Figure 3 shows the team that would be responsible for ongoing operations in Milpitas.

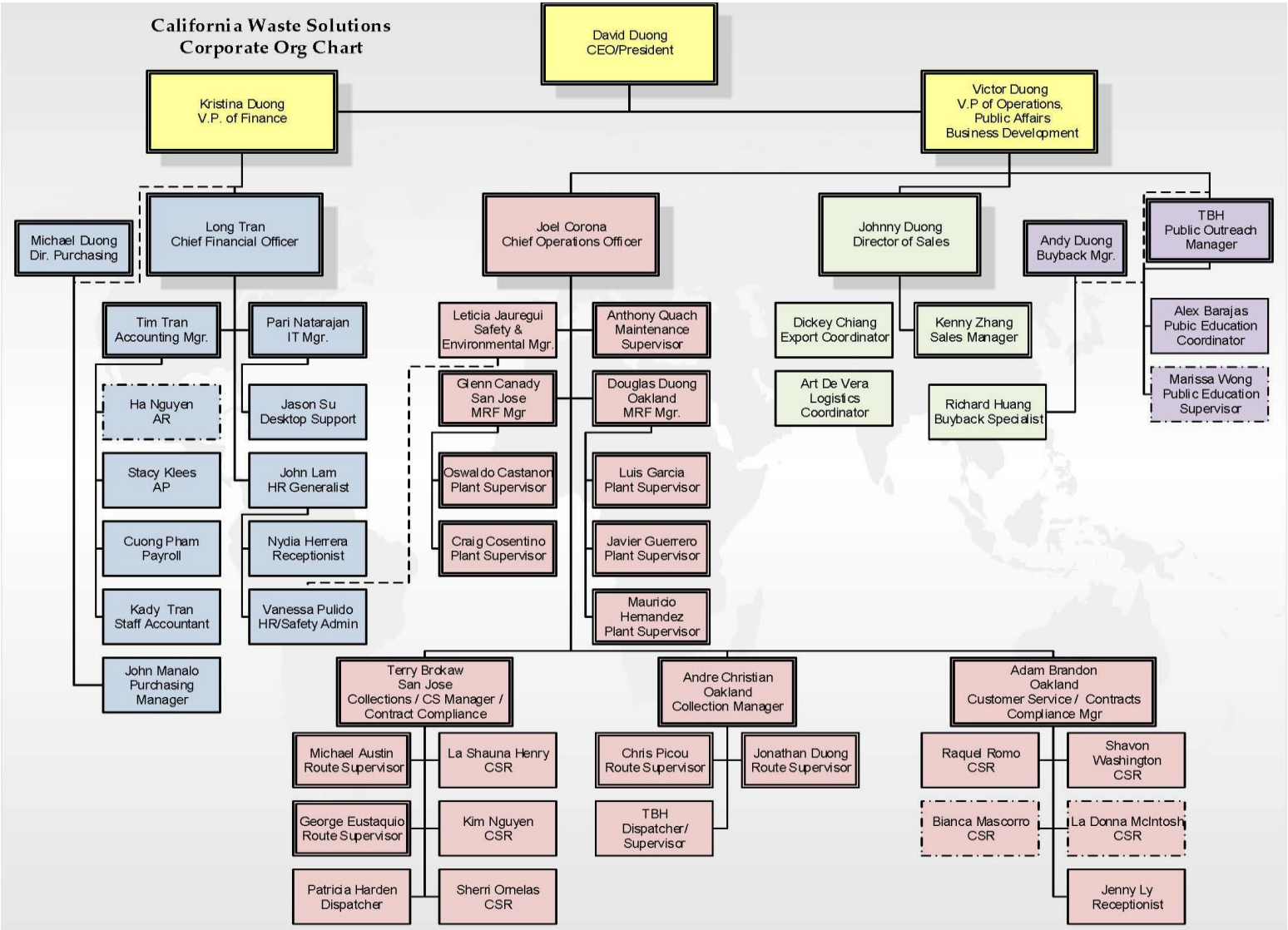


Figure 1 CWS Organizational Chart

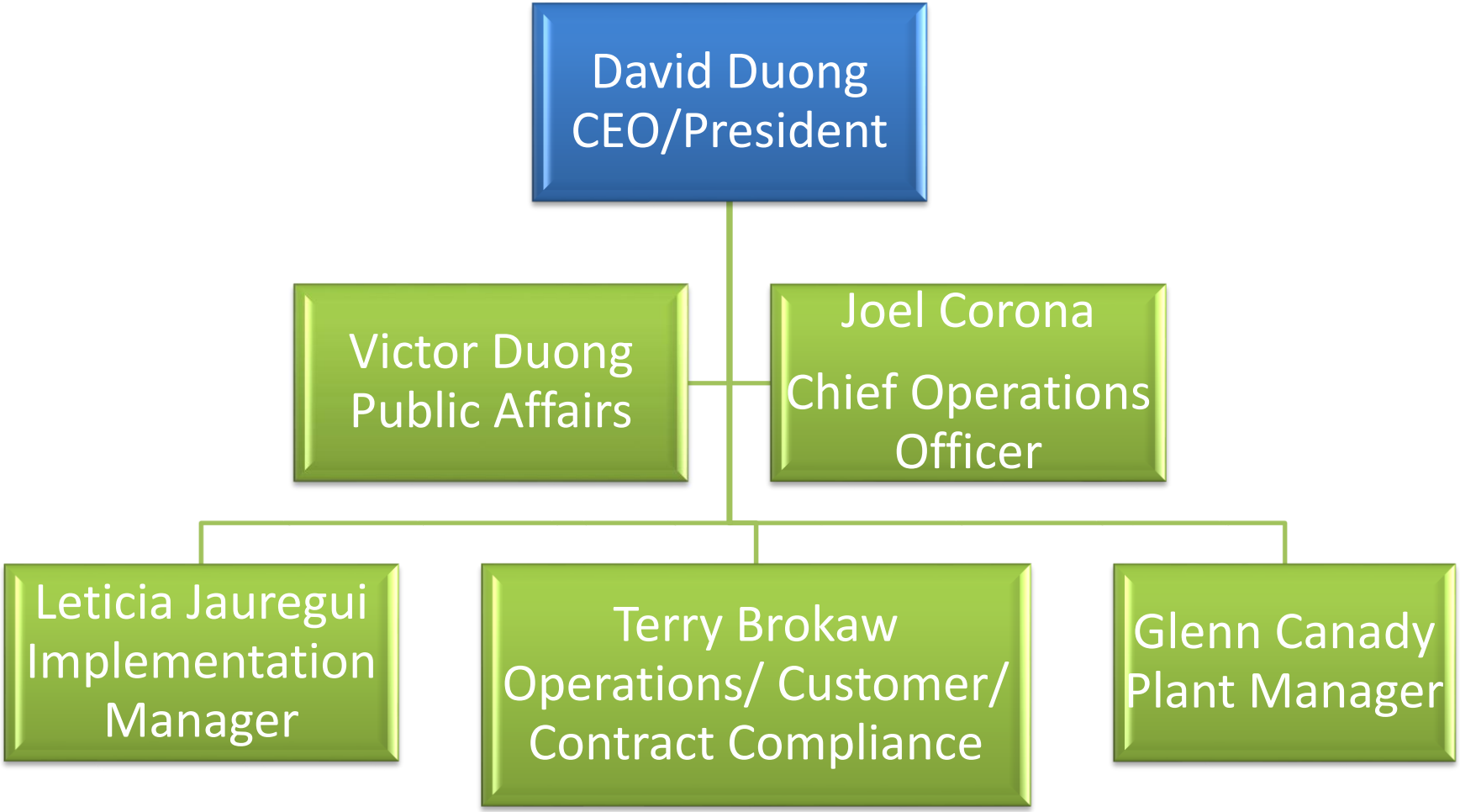


Figure 2 Milpitas Transition Team Organizational Chart

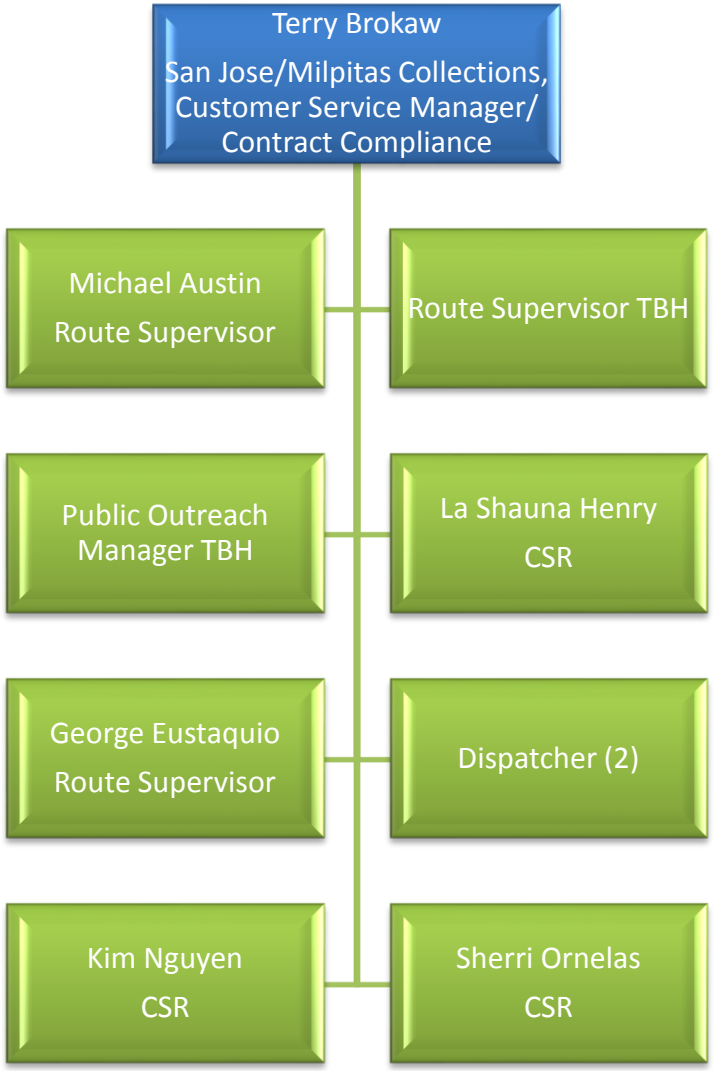


Figure 3 Milpitas Operations Team Organizational Chart

1.B. Affiliated Companies and Team Members

CWS brings to this contract a partnership made up of people with extensive backgrounds in collection and processing as well as professional organizations that have joined our team to support CWS's efforts and activities and provide the very best service to the City of Milpitas.

CWS will do all the collection and processing of the recycling material collected. Once CWS is awarded the contract, the company will undertake all necessary actions to have all subcontractors comply with licensing requirements of the City of Milpitas Municipal Code, prior to commencement of services.

J.R. Miller & Associates (JRMA)

JRMA is a design firm offering comprehensive services to private, industrial and public sector clients. Since 1985, JRMA has played an important role in the planning, design, and construction of facilities that efficiently receive, process, and transport solid waste nationwide. In California, JRMA has participated in development of the Shoreway Environmental Center in San Carlos, Puente Hills Transfer Station & MRF in Whittier, Signal Hill Transfer Station & MRF in Signal Hill, CR&R Perris Recycling and Transfer Station in Perris, Zanker Road MRF in San José, Burrtec Santa Clarita Transfer Station and MRF, plus many other sites in California and nationwide. CWS has partnered with JRMA for design and development of its Da Phuoc Landfill, Transfer Station & MRF in Ho Chi Minh City, Vietnam, and will engage JRMA to help design and develop the Engineer Road MRF. Additional information regarding JRMA experience and services is provided in Attachment 1.

InterWest Insurance

InterWest will partner with CWS to provide safety, insurance, and training services for its employees and throughout its facilities. As one of the top 10 largest privately-held insurance brokers in the U.S., InterWest is an industry leader offering value-added and specialized services, and provides a wide variety of liability coverages, risk management services, employee training programs, regulatory and compliance support. InterWest has developed customized training programs in hazard management and other safety training areas for CWS employees. CWS's InterWest contract manager is Chip Arenchild, InterWest's in-house corporate risk manager in charge of risk assessment, mitigation and corporate safety planning. Chip has had hands-on experience in customizing specialized risk management programs, developing internal training procedures, and directing best practices for safety program implementation and risk assessment. His role is to work hand in hand with InterWest's clients on their compliance issues with Cal OSHA, Injury and Illness Prevention Plans, Emergency Action Plans, Heat Stress Plans, ergonomics and monitoring employee training and job safety issues. A letter memorializing our relationship with InterWest can be found in Attachment 1.

Kneal Resource System (KRS)

KRS, founded in 1989, is well versed in solid waste issues and related public education initiatives, as the company president, Kathy Neal, served on the former California Integrated Waste Management Board and created and chaired its Public Education and Legislation Committee. KRS has extensive experience with project planning, management and staffing; process improvement; public affairs, public education and governmental affairs strategy and outreach; statewide permitting and regulation of solid waste facilities and programs; and creation and implementation of public education and outreach initiatives. Additional information regarding KRS experience and services is provided in Attachment 1.

Gershman, Brickner & Bratton, Inc. (GBB)

GBB is an international management consulting firm that helps public- and private-sector organizations of all sizes craft practical, customized and technically sound solutions to complex solid waste management challenges. Since 1980, GBB has assisted hundreds of organizations develop long-term, sustainable solid

waste solutions that save money and improve efficiencies. GBB will partner with CWS to support transition activities, and help develop programs that support increased recycling and diversion levels from the City's waste streams.

Harvey Gershman, GBB President, has been active in the solid waste management field as an adviser to government and industry for over 40 years. He has managed the preparation of many long-term plans, cost and independent feasibility analyses, technology reviews, contractor procurements, and project financing activities for a broad range of collection services, recycling, solid waste management, waste-to-energy, and conversion technologies projects that have resulted in sustainable, efficient integrated waste management systems accepted by the community and its leadership.

He has led many GBB Project Teams conducting collection efficiency analyses for both large and small jurisdictions, including evaluating existing collection equipment; vehicle/crew configurations; staff skill levels and training efforts; administrative and management practices and procedures; and public education activities. Those evaluations of collection operations and their ensuing recommendations have resulted in service improvements and substantial cost savings.

A recognized industry energy-from-waste thought leader, Mr. Gershman has a significant amount of waste-to-energy (WTE) and conversion technologies (CT) experience. In recent years, he has worked on several projects addressing the economic feasibility, effectiveness and environmental issues of candidate waste processing technologies. His knowledge and experience enables the firm to evaluate technologies and operations, including the potential to use alternative fuels and provide recommendations that take into account technical, legal, and economic issues. GBB is currently providing guidance to communities within and outside the United States in the evaluation and procurement of WTE and CT projects.

Terry Schweitzer, GBB Vice President, has 20 years of experience in the solid waste management industry both as a consultant and working with major private-sector waste collection firms. He has extensive experience in waste and recyclables collection equipment operations and logistics, maintenance, and collection-system management that spans residential, commercial, and industrial accounts. He has reduced operating expenses through operational and maintenance improvements utilizing technology and best practices.

Mr. Schweitzer has a strong analytical background, experience in optimizing all aspects of collection operations, and proficiency with route optimization software. He has responded to Bids and RFPs, estimating and analyzing costs for collection program transitions. He has also transitioned programs from dual stream recycle collection in bins to every-other-week (EOW) semi-or fully-automated collection with carts.

Kate Vasquez, GBB Senior Project Manager, has over 13 years of industry experience. At GBB, she is involved in private- and public-sector projects aimed at improving collection operations, increasing diversion, and planning solid waste management programs. She has conducted benchmarking research for several clients with regard to collection systems and recycling, including Harford County, MD; Prince William County, VA; and, Rochester, NY, and worked for nearly ten years in a county government agency that provided trash and recycling service to more than 40,000 curbside customers.

For a confidential nonprofit organization, she was a key member of a team that conducted detailed analysis regarding the operational, economic, and safety feasibility of collecting recyclables from single

family residents under a variety of scenarios. For Madera County, CA, she researched and produced a report on best practices for rural collection of recyclables. In a project to expand curbside collection of recyclables in Charles County, MD, Ms. Vasquez was part of the GBB team that prepared an RFP for collection in four pilot program subdivisions.

Prior to joining GBB, she worked as Management Analyst II at the Division of Solid Waste Collection and Recycling of Fairfax County, VA, a large suburb of Washington, DC.

Lois Clarke, GBB Principal Associate, has 25 years of experience in the environmental field, including involvement in recycling, municipal solid waste management, green building, and environmental impact reports in both the public and private sectors. She is responsible for GBB's full cost accounting and rate modeling activities that allocate all costs and revenues within the solid waste system, including all collection activities. These models were often used to identify potential collection operation efficiencies, service delivery alternatives, and their potential effect on expenditures and revenues, if implemented. She assisted the County of Harford, MD and a private operator in Minneapolis, MN with modeling varying collection systems to identify potential costs and associated rate increases. She also prepared financial models for California Waste Solutions, Inc. (CWS) to prepare and submit its response to the City of Oakland's Request for Proposals for garbage and/or recycling services.

Ms. Clarke has analyzed economic and fiscal impacts from two different Waste-to-Energy technologies proposed for the City of Plano, TX. She also provided an economic evaluation of municipal solid waste to energy power plants including mass burn, refuse-derived fuel co-fired with coal and landfill gas technologies for the Electric Power Research Institute, Inc.

Paul J. Rottenberg
Paul Rottenberg has for many years supported cities, special districts, non-profits and private companies engaged in solid waste and recycling activities. He focuses on contracts and compliance, materials processing and marketing, equipment specification, economic analysis, facility development, dispute resolution, contract negotiations and government relations. As CWS General Manager between 1992 and 1995, Paul managed the CWS start-up of curbside and multi-unit recycling collection in Oakland and oversaw staffing, equipment specification, financial projections, A/R, A/P, marketing, government relations, plant management, safety, equipment maintenance, computer system design and management, public relations, business development, et al.

Paul has a MBA from the University of San Francisco, a MPH in progress from the University of California Los Angeles, a BA in International Relations from San Francisco State University, has done undergraduate coursework in Economics/Political Science at Georgetown University, and is fully trained and licensed in commercial solid waste and recycling vehicles and heavy equipment operation. He has been published and a lecturer on various solid waste issues.

McNeilus Companies Inc.
McNeilus, a leader in solid waste collection equipment since 1975, provides trucks and training to drivers and mechanics on very best practices of operating and maintaining equipment. With 59 branches and authorized service centers, mobile services, and 24/7 customer support, McNeilus services the needs of public and private clients. The cities of Raleigh, North Carolina; San Antonio, Texas; Houston, Texas; and Columbus, Ohio are some of the cities that McNeilus serves. McNeilus has partnered with CWS to provide packers for the chasses and train drivers and mechanics on best practices for using and maintaining the packers.

Coast Counties Truck and Equipment Company
Coast Counties Truck and Equipment, established in 1948 and a local San José business, is the oldest franchised Peterbilt Dealer in the nation provides collection truck chasses, warranty work, and preventive maintenance inspections on all new CWS vehicles. Coast Counties Peterbilt can provide the personnel and resources necessary to fully support the Service Agreement.

OTTO Environmental Systems
OTTO, the largest manufacturer of plastic waste and recycling containers in the world with 66 million products used worldwide, will provide the carts. OTTO employs approximately 4,000 people in over 40 countries and its clients include, but are not limited to, the cities of Los Angeles, California; Phoenix, Arizona; Winter Park, Florida; Riverdale, Illinois; Atlanta, Georgia; San Diego, California; Plano, Texas; Spokane, Washington; Milwaukee, Wisconsin; and Disney World.

RouteSmart™
RouteSmart provides vehicle route optimization software technology for many communities and services, including those related to solid waste collection. Comprised of the leading geospatial technologies from Esri and NAVTEQ, RouteSmart software integrates with client-side systems to form a complete routing solution for meeting the demanding operational needs of solid waste collection fleets. Unlike other vehicle route planning software that can only manage one category of waste or recycling collection, RouteSmart for ArcGIS offers powerful optimization capabilities for both residential and commercial service routing all in one seamless environment. CWS can utilize route optimization from RouteSmart to balance all aspects of collection routing, including coordination of residential service collection days and optimizing multiple days of service for commercial service customers. CWS has experience utilizing RouteSmart in San José and Oakland, and will work with RouteSmart to customize the technology application to seamlessly transition to the demands of serving a greater number of Oakland customers.

Convoy Technologies, Inc.
Convoy delivers fully integrated fleet management software solutions that provide the communications and business automation for waste and recycling collection firms to improve their operations and maximize their profit potential. CWS will utilize Convoy's end-to-end software and hardware offering that includes onboard computers, wireless audio and video communications, driver terminals, automated service verification, fleet tracking, business intelligence systems and more. These technologies will help CWS to ensure complete visibility into fleet and business operations, achieve significant reductions in resource requirements, ensure fleets are operating efficiently and with the least environmental impact possible, and employees are providing services in a safe and consistent manner. CWS's Convoy system provides state-of-the-art GPS, video, and audio reporting that assures the safest service for the City and its neighborhoods.

Clean Energy
Clean Energy is the largest integrated natural gas fuel station designer and fuel supplier in the United States. Clean Energy developed and continually serves 5 public and private stations in the Bay Area and over 500 in the United States. Clean Energy operates collaboratively with solid waste firms and many other logistics fleet and facilities users and industries. Clean Energy is focused and dedicated to the development of domestic fuel sources and cleanest uses. Clean Energy fuel provides the reliability and environment ability to operate the cleanest fleets possible and reduce wear and extend equipment life.

Coast Oil Company
Coast Oil has been part of the Northern California business scene since 1935. The company has grown to become one of the largest distributors of gasoline, clean diesel fuel, bio diesel, and lubricants in the US.

With over 875,000 gallons of above-ground storage, 30,000 square feet of warehouse and office space, utilizing modern "Pulsair" blending at the Coast Oil quality-control/test-lab facility located on four acres in East San José, Coast Oil is positioned to continue as one of the premier petroleum distributors in the US. The company provides bulk and packaged lubricants, transportation fleet oils, tank wagon fuel, truck and blending, keep-full programs, equipment programs, and waste oil programs.

SSMB Pacific Holding Co.

SSMB Pacific Holding Company, Inc., doing business as NorCal Kenworth, operates as a heavy and medium duty truck dealership company in California, offering new and used trucks, parts, and services. For parts and equipment, NorCal Kenworth offers complete, on-site inventory management, including bar coding and auto-replenish. NorCal Kenworth's custom designed management programs help customers reduce inventory costs and streamline accounting.

Tire Distribution Systems

Tire Distribution Systems, with a location in Oakland, performs full-service tire work from 44 locations in 8 states. TDS has the right mix of new tire and retread knowledge to ensure the ongoing success of their customers. The company provides new tires, retreads, wheel alignment and balancing, fleet inspections, tire disposal, wheel refurbishing, and scrap tire analysis.

Green Waste Recovery & Zanker Recycling

Zanker Road Resource Management Ltd. operates four recognized recycling facilities, including GreenWaste Recycling (GWR). GWR specializes in processing of residential and commercial materials including food waste and construction and demolition debris. Z-Best Composting processes up to 1,000 tons per day of yard trimmings, and Zero Waste Energy Development Company (ZWEDC) is a large-scale commercial dry fermentation anaerobic digestion facility.

Van Dyk/Bollegraaf

Van Dyk/Bollegraaf designs, provides, and installs high-quality advanced MRF equipment and technologies for CWS's Oakland facilities. Van Dyk/Bollegraaf Recycling Solutions is a leading global engineer and manufacturer of recycling equipment and turnkey recycling solutions. The company has a record of accomplishment of 50+ years in the industry and invests heavily in Research and Development as well as in the latest manufacturing equipment and facilities. Bollegraaf's delivers balers, sorting systems, conveyors, shredders, Star Screens, reel splitters and other related equipment. Bollegraaf has four subsidiaries in Germany, France, England and Spain, for sales and service in these countries, and participates in a dealer organization in the USA and Canada.

Evergreen Environmental

1 CWS's Oil recycling center

Evergreen Environmental is one of the largest waste oil collectors in California, and the only oil re-refining operation in the western United States. Evergreen is also a major provider of hazardous waste services, offering customers a full range of environmental services to handle all of their waste management needs. Evergreen's commitment to the environment is so complete that every drop of used oil collected and fed into its Re-refining facility is recycled into useful products; nothing is wasted. Evergreen will partner with CWS to recycle oil from City of Oakland customers and CWS fleet and facility operations.

America's Best Battery
America's Best Battery (ABB) brings over 50 years of history, experience, merged with modern technology into today's battery recycling needs. ABB established its current location in 1998 in Hayward, CA, and provides excellent coverage throughout its nine Bay-Area-counties service area. ABB recycles all varieties of batteries, from household batteries and battery packs for electronics to large flooded cell batteries from utility and telecommunications systems. CWS will provide City of Milpitas customers with battery collection services, and will deliver batteries to ABB for recycling.

Stericycle
Stericycle provides disposal services for medical and biohazardous waste, and maintains the nation's largest network of medical waste transport vehicles, collection sites, and treatment facilities for hazardous materials. Stericycle operates internationally, providing medical waste disposal, sharps disposal management, OSHA and HIPAA compliance programs, pharmaceutical returns and disposal, recall readiness training, product recalls and retrievals, hazardous waste disposal, biohazard containers, and mail-back systems. CWS will utilize Stericycle's services for management of sharps, collected pharmaceuticals disposal, and other hazardous material disposal needs.

Goodwill Industries, Salvation Army, and other resale partners
Non-profit organizations, such as Goodwill, will be invited to come together to support CWS as a Reuse Advisory Board for reusable objects collected in the recycling collections. To help accomplish CWS's objective of increasing diversion, the proposal includes a location where reusable items can be easily segregated for transport to a disposal facility. Reusable materials, such as building material and furniture, will be taken from the site by non-profit organizations, such as Goodwill and Salvation Army, where they will be redistributed to individuals and organizations.

List of Lenders

CWS's lending institutions is the MUFG Union Bank, located in Los Angeles, California. A letter of support from the bank is provided as Attachment 2. Contact information is as follows:

Shane Johnson
Director, MUFG Union Bank, N.A.
Environmental Industries
445 South Figueroa Street, 13th Floor
Los Angeles, CA 90071
213-236-5622
shane.johnson@unionbank.com

Di Li
Vice President, MUFG Union Bank, N.A.
National Specialized Lending
445 South Figueroa Street, 13th Floor
Los Angeles, CA 90071
213-236-6126
di.li @unionbank.com

1.C. Collection and Street Sweeping Experience

2 CWS Vehicle Yard

For more than 25 years, CWS has continually grown in our expanded success and ability to educate about, collect, process, and market recyclable materials.

CWS has extensive experience in efficient collection, processing and marketing of recyclables for the highest uses and best prices possible. CWS has pioneered markets in Asia for hard-to-recycle grades of paper generated from emerging single-stream collection programs for greater than 20 years. Recovered materials are selectively sold to environmentally sound global markets for conversion into recycled-content products. In addition to selling our materials, CWS provides full-service sourcing, processing and brokering of recyclable commodities that leverage years of operating experience and success in negotiating direct supply contracts with domestic and overseas mills to ensure stable markets and the best prices for large volumes of recyclables.

1.C.1. Collection Experience

CWS's innovative and effective operations collect recyclables from approximately 325,000 customers in the Bay Area and Santa Clara County. CWS customers include residential, multi-family, commercial and industrial customers. Commercial and industrial customers include:

- Large and small business buildings, including high-rise and multi-building campuses
- Large and small multi-family and mixed-use properties
- Institutional facilities, including school and college campuses
- Governmental facilities, including municipal offices
- Manufacturing and distribution companies
- Shopping and retail centers
- Sports and entertainment facilities
- Hospitals and laboratories

3 CWS understands the diverse challenges at multi-family properties,like keeping containers emptied to reduce vectors and right sizing containers to increase diversion

CWS's expertise in and success with serving these enterprises is linked to our high level of customer service, communication, and dedication. Features that enable CWS to continue earning business include provision of:

- Highly valued and effective recycling services
- Effective and continual communication, public education and feedback

- Customized recycling services with continuous outreach and waste audit support

CWS develops and invests in innovative collection and processing technology that maximizes safety, efficiency, quality, and environmental sustainability. This investment has earned CWS a leadership role in the recycling industry as the company accomplished a series of "firsts" for its customers and community.

4 CWS understands the diverse challenges at multi-family properties,like keeping containers emptied to reduce vectors and right sizing containers to increase diversion

- First single-stream processing facility in the City of Oakland – BHS and Machinex processing system.
- First use of diesel particulate emission filters in a solid waste collection fleet – Cummins ISM Engines.
- First use of expansive advanced technology, optical sorting systems in a MRF in the western United States – Machinex/Pellenc Systems.

CWS will continue to invest in and operate the most modern state-of-art equipment to continuously improve proficiency, increase diversion, expand grades and raise quality to ensure successful completing in a global recycling marketplace.

1.C.2. Street Sweeping Experience

CWS engaged and completed essential research about street sweeping services for the City of Milpitas and the best equipment and routes for it. CWS will apply its RouteSmart technology to the street sweeping services to provide the best street service and the best customer service. CWS has anticipated capacity for emergency services, as well as 24 hour on-call services for the City of Milpitas. CWS domiciles and maintains its street sweepers approximately 11 miles from Milpitas with access from highways 880, 680 as well as commercial boulevards if necessary.

The City presently has an effective street sweeping program that successfully satisfies the City's standards and requirements. The service is provided by the solid waste franchisee. As part of its procurement of new Solid Waste, Recyclables, and Organics collection, Processing and Disposal Services, the City is also seeking a company that can provide dependable, timely and best-quality street sweeping services. The City of Milpitas is a very high-service community that values the cleanliness of its thoroughfares. The City is seeking a company that will deliver exemplary service, sweeping all streets on a predetermined schedule. The City is seeking a firm that can replicate the City's current program, and implement programs that will both beautify the locale while preventing pollution. To do this, the City is seeking a qualified contractor that has a proven record of accomplishment providing these services to similar municipalities.

CWS's street sweeping proposal will complement our solid waste and recycling collection services to provide for an attractive City. Street sweeping is one of the most visible aspects of the City and for the citizens and the traveling public. Clean streets and gutters not only give the City an overall clean appearance, but aids in helping reduce traffic accidents and air pollution caused by fine dust particles. Street sweeping is an important part of weed control, street resurfacing and street drainage maintenance functions. Keeping debris off the street and out of the gutters prevents the debris from entering and plugging the storm drainage system that can add to the cost the City faces for cleaning drainage lines.

Street sweeping has seasonal demands, as indicated by the need for seasonal adjustments in sweeping frequency in certain residential areas and the type of equipment used to remove leaves. The analysis of street sweeping contained in our proposal is based on the most cost effective and efficient delivery of service.

CWS currently does not provide street sweeping services. Despite this, we feel strongly that the addition of this service to CWS's existing operations is a natural expansion of our operations. We propose to approach this by collaborating with our street sweeper equipment provider, TYMCO, who will make available in-depth training and on-call support for the operations team—from the sweeper operators to the general manager—for a start-up period of up to six months, in order to ensure a smooth transition for this service in Milpitas. CWS's local, friendly, and successful services will minimize service disruptions. We know from our long-term working knowledge of collections in the Bay Area and in Santa Clara County—as recognized by the City of San José City Council in 2007—that it is critical for the transition with CWS to be smooth for customers…that means for both the City as the procurer and for the residents and businesses.

TYMCO has for more than twenty years offered Managers, owners, operators and mechanics to get hands-on training and answers to specific questions. CWS proposes to send our Milpitas supervisor, sweeper operators, and a maintenance technician to the TYMCO "Service School" hands-on training course, a two-day scheduled service school at their facility in Waco, Texas. TYMCO keeps enrollment levels low, so the CWS team will get personal attention as well as the opportunity to learn from the experiences of other attendees through the interaction of the class. They will attend the course far enough in advance of the scheduled service start date to be ready for service, Day One. This will allow our employees to understand the Regenerative Air System and the TYMCO sweeper completely, so we can get optimal performance from our equipment investment. This will provide confidence to the city CWS will provide street sweeping as promised.

5 TYMCO Street Sweeper

1.C.3. Service Initiation Experience

City of Oakland

CWS was awarded its first public-sector franchise contract by the City of Oakland in 1992, as one of the City's major recycling collection and processing companies. This franchise which continues today has more than doubled in size since the original contract award. From 1992 to 2015, the City of Oakland exercised every option to extend service by CWS. CWS collects residential recyclables from approximately 160,000 single and multi-family/commercial buildings in Oakland and processes these recyclables at its two Oakland MRFs. These MRFs have single-stream and source-separated processing capability that process residential and commercial materials. The company also collects and recycles materials from commercial businesses throughout Oakland in a non-regulated, competitive market. CWS services many large and iconic commercial customers including Kaiser Permanente Hospital, Kaiser Center, Swig Properties and Golden Gate Fields. Other metrics from our Oakland services include:

- 35,000 Multi-family dwelling units served
- 650 Oakland commercial buildings

- 41 Oakland City facilities
- 20+ Commercial Industrial Centers

CWS expanded the Multi-Family Dwelling (MFD) program to increase the number of enrolled and participating MFDs through enhanced education, outreach and service to the residents. CWS outreach to MFDs significantly increased from 2005 to 2015, resulting in enrollment of more than 3,300 properties, for a total of 54,000 MFD units served. New MFD units represent a diverse group of residents at newly constructed larger and smaller properties. The residents and managers of these developments are actively involved and supportive of Oakland's Recycling Program, with weekly participation levels from 95-100 percent and appropriate utilization of containers. CWS local Oakland customer service representatives reach-out to MFD customers to ensure the best service and highest participation possible. CWS maintains profiles about properties that enhance service and communication about diversion and recycling. In 2015 CWS expanded its service in the City of Oakland and provides single-family, multi-family homes, and businesses recycling service to approximately 160,000 customers.

6 Outreach at Public Events

All 54,000 MFD units have additional resources available to support easy recycling including proper waste room signage, adequate and ample containers, use of a residential Recycling Caddy to carry recyclable material to on-site recycling stations, customized equipment for on-site transporting, the Oakland Multi-Family Recycling Property Manager Kit, and responsive service from a dedicated CWS Operations & Customer Service team. CWS further expanded services to provide 64-gallon carts, 2-cubic yard rear-load/front-load, and 40-cubic yard roll off bins to directed MFD and business customers requiring greater capacity and/or to accommodate space constraints. This change was well received, helped improve service to the customers and increased waste diversion from landfills.

CWS maintains open communication with MFD property managers and updates profiles to best identify and support their recycling service needs and opportunities, and develop creative and social ways to impart program information to increase awareness and maximize participation. For existing multi-family customers, CWS works with property managers and residents to reemphasize program standards and the role each resident plays in helping Oakland achieve Zero Waste by 2030. CWS provides recycling news/tips onsite at community/resident meetings and via online communication resources. For new MFD residents, CWS initiates contact with property managers to provide program details for inclusion in sales presentations and move-in packets, review the Property Manager Resource kit, and provide program signage and posters for use in the sales/leasing office. CWS also began placing new, long lasting vinyl signs at the recycling carts/roll-offs/chutes in MFDs to emphasize proper recycling habits at the point of disposal.

MFD outreach efforts continue in 2015 with the addition of more focused community events; new community based social marketing "Eco Team" (first initiated by CWS in San José in 2010) that provide recycling services information in different languages and with a variety of printed literature; collection truck signage; social messaging related to the MFD recycling program; and, on-site presentations at MFDs. CWS is focused on expanding recycling participation, increased multi-lingual education to reduce contamination, increase participation, and achieve diversion goals.

7 Outreach at Public Events

In addition to the MFDs, CWS collects recycling from City of Oakland facilities and events, and 650 commercial buildings. CWS business customers receive personalized services that evaluate the opportunity for recycling and the potential for increasing diversion.

CWS has been focused on increased education in its Oakland program through multi-lingual resources and continued its expansion of a public campaign to increase program awareness, education and involvement with the residents and business community.

Below are some of CWS's other public education and participation efforts:

- CWS has been a repeat sponsor of the City of Oakland Earth Expo. CWS shared a booth with Recology and Waste Management, and most recently with Waste Management and the City of Oakland under the program banner of "Oakland Recycles" to enhance awareness and support of Oakland's recycling program, instill better recycling habits, provide program literature, share children's educational resources, distribute seed book marks, and answer questions.

- CWS hosted a booth at Oakland's Annual Indie Awards to educate the public on the recycling program and benefits of recycling and distributed give-aways to encourage participation. Additionally, CWS worked with the Oakland Public Works Agency to provide the recycling and waste service utilizing Clear Stream stations. CWS provided the following services:
    - *Setup and took down the Clear Stream stations*
    - *Maintained stations throughout the event*
    - *Received/Returned the Clear Stream stations from the City of Oakland*
    - *Coordinated volunteers to distribute informational materials and provide recycling collection*
    - *Provided outreach and education stations, as well as distributing literature to single family residents, multi-family residents, and businesses, with the goal of expanding participation in recycling collection services*

- CWS is a regular sponsor of the annual Temescal Festivals. In addition to having a booth to educate the community on the benefits of recycling and the Zero Waste Goal in Oakland, CWS sponsored the Clear Stream stations throughout the festival, donated the use of recycling collection toters and provided the following services:
    - *Setup and took down the Clear Stream stations*
    - *Received/Returned the Clear Stream stations from the City of Oakland*
    - *Provided 20 yard recycling/recycling roll off service and weight information on the recycling from the festival*
    - *Coordinated volunteers to distribute informational materials and provide recycling collection*

- *Provided outreach and education stations, as well as distributing literature to single family residents, multi-family residents, and businesses, with the goal of expanding participation in recycling collection services*

- CWS was an in kind sponsor of, and most recently participated in an Oakland Recycles booth during the annual Oakland Art and Soul Festival. CWS did the following:
  - *Provided 20 yard recycling/recycling roll off service and weight information on the recycling from the festival*
  - *Coordinated volunteers to distribute informational materials and provide recycling collection*
  - *Provided outreach and education stations, as well as distributing literature to single family residents, multi-family residents, and businesses, with the goal of expanding participation in recycling collection services*

- CWS was a sponsor of the annual Oakland Pride Festival, had a booth to educate the community on the benefits of recycling and Zero Waste Goal in Oakland and sponsored the Clear Stream stations throughout the festival. CWS did the following:
  - *Delivered Clear Stream Stations to event coordinators*
  - *Received/Returned Clear Stream stations from the City of Oakland*
  - *Provided 20 yard recycling/recycling roll off service and weight information on the recycling from the festival*
  - *Coordinated volunteers to distribute informational materials and provide recycling collection*
  - *Provided outreach and education stations, as well as distributing literature to single family residents, multi-family residents, and businesses, with the goal of expanding participation in recycling collection services*

- CWS has repeatedly sponsored the annual Rockridge Community "Out & About Festival", hosting a booth to educate the community on the benefits of recycling and the Zero Waste Goal in Oakland, and providing and servicing Clear Stream stations throughout the festival. CWS did the following:
  - *Delivered the Clear Stream Stations to event coordinators*
  - *Received/Returned Clear Stream stations from/to the City of Oakland*
  - *Provided 20 yard recycling and food scraps roll off service and weight information on recycling at the festival*
  - *Coordinated volunteers to distribute informational materials and provide recycling collection*
  - *Provided outreach and education stations, as well as distributing literature to single family residents, multi-family residents, and businesses, with the goal of expanding participation in recycling collection services*

- CWS sponsored the California Resource Recovery Association's latest conference in Oakland. CRRA is California's statewide recycling association. It is the oldest and one of the largest non-profit recycling organizations in the United States, and is dedicated to achieving environmental sustainability in and beyond California through Zero Waste strategies including product stewardship, waste prevention, reuse, recycling and composting. CRRA's members represent all aspects of California's reduce-reuse-recycle-compost economy. Our members work for cities, counties, municipal districts, and businesses as well as hauling companies, material processors, non-profit organizations, state agencies, and allied professionals.

- CWS sponsored a table at the East Bay Rental Housing Association Annual Trade Expo. We informed and notified property owners about the upcoming mandatory recycling requirements, provided contact information to the attendees, provided information on the types of services available and encouraged early participation. MFD flyer and hangers were provided to property owners to provide to residents in their complexes.

8 Outreach at Public Events

- CWS attended the Monthly Residential Meeting at the Acorn Apartments. We met with many enthusiastic community members about the re-energized push towards compulsory recycling for the community, different types of materials that could be recycled and where the large communal roll-offs are located. This meeting was preceded by distribution of MFD flyers at each residence. CWS gave out additional information material along with MFD recycling caddies.

Reference: City of Oakland

Contact:

Ms. Susan Kattchee
Manager of Environmental Services
City of Oakland
250 Frank H. Ogawa Plaza
Oakland, CA 94612
skattchee@oaklandnet.com
Phone: 510 238-3962

OAKLAND RECYCLES

City of San José

In 2002, CWS expanded its operations to serve the City of San José by constructing and operating a modern single-stream MRF transfer station at 1005 Timothy Drive, San José, to process single-stream materials from approximately 170,000 single-family residential customers in Districts A and C. CWS provided this service as a subcontractor to the City collection contractor Norcal Waste Systems (Recology). In

9 San Jose Facility

designing the facility, the company worked closely with consulting engineers, MRF experts, and specialty equipment manufacturers. The result of the effort was a 40+ ton per hour single-stream facility – possibly the largest of its kind in the western United States.

In 2006, San José directly awarded CWS both the single-stream recyclables collection and processing portions of the City contract to serve 170,000 single-family homes in City Districts A and C. Included in the program are used motor oil, oil filters, textile, and "large bulky item" collection and recycling. CWS successfully transitioned into the collection role in 2007.

To improve these services to San José, CWS made a number of significant capital investments and increased its resources in 2007 by adding the following San José site and facility asset and personnel improvements.

- Truck Corporation Yard at 1120 Berryessa Road, San José. This 6.5-acre corporation yard includes a truck shop, truck wash, large and bulky sorting area, organics handling, and cooking oil, motor oil and oil filter processing areas. CWS has a long-term lease on this site which allows CWS to make improvements on it and the options to purchase the land outright, allowing CWS flexibility to expand operations at this location.
- 50 state-of-the-art collection vehicles
- 58 experienced collection truck drivers
- 4 certified mechanics, technicians, welders and support staff at the Berryessa Road Yard
- 4 customer service representatives (CSRs)
- Established customer service redundancy at its Oakland headquarters
- New public education center

10 Manual Sorting at CWS MRF

In 2007, CWS enhanced its San José MRF by adding the following:

- 4 state-of-the-art fiber and plastic optical sorting systems
- 2 new mechanical screens
- 2 new balers
- Pneumatic Film Plastic recovery system
- New glass recovery system

As a result of these facility improvements, CWS has processed approximately 80,000 tons per year in this facility.

Since 2002, CWS has increased San José's solid waste diversion and recycling to levels never achieved by preceding companies and reduced processing residue from greater than 21 percent to 14 percent. This reduction was due to three key factors:

- Closely integrated collection and processing operations
- Effective public- and employee-education programs combined with customer feedback
- Investment in and application of innovative and proven processing equipment
- Continual development of markets for established and new product offerings
- Dedicated communication and transparency with municipal contractor colleagues

The waste and recyclables collected, and resultant diversion rates achieved in Districts A and C in the City of San José for 2011 are shown in Table 1.

Table 1 City of San José Diversion

	District A	District C
Curbside Collection		
Garbage Tons Collected	72,934.83	46,269.19
Recycling Tons Collected	40,899.33	33,732.87
Recycling Tons Sold	33,718.65	27,796.82
Diversion	**30%**	**35%**
Large Item Collection		
Bulky Items Collected	222.95	177.12
Bulky Items Recycled	189.99	150.93
Diversion	**85%**	**85%**

In June 2010, the City of San José exercised its option to continue receiving service from CWS and extended CWS's contract to the year 2021 as an expression of its confidence in the company's performance.

Thirty days after CWS began providing recyclables collection and processing services in San José, the San José City Council awarded CWS for its leadership in executing the smoothest transition for solid waste services that the City and its citizens had ever experienced during the 14-year history of its Recycle Plus Program. A copy of the commendation certificate from the City of San José is included as Attachment 3.

Collection Fleet

CWS operates a combined collection fleet of more than 100 vehicles. Greater than 50% of the fleet is 2014 model vehicles operating entirely on compressed natural gas (CNG) and CWS's other collection trucks operate on bio-diesel. CWS assembled specific combinations of engine, body, and chassis provides the safest, quietest, least polluting and most reliable collection system available.

International Operations

In November 2007, CWS, through Vietnam Waste Solutions (VWS), completed construction of the first private, integrated waste management complex that includes a Subtitle D equivalent, state-of-the-art landfill in Vietnam. VWS, a wholly owned subsidiary of CWS, owns and operates the facility, known as

the Da Phuoc Integrated Solid Waste Facility (DPI). This project was developed, engineered, constructed and is operated by VWS on approximately 322 acres with total development costs exceeding $400M.

11 Da Phuoc Integrated Solid Waste Facility
(An Phong Construction, http://www.anphong.vn)

The facility was designed by a United States team of experts including Dave Edwards, Inc., Bollegraaf Recycling Solutions and Van Dyk Baler Corp. (Bollegraaf and Van Dyk are part of the CWS team for this Milpitas proposal). DPI operates according to United States standards including:

- Professional design, engineering and construction
- Full liner, leachate and methane gas recovery systems
- Professional operating, measuring, reporting and safety standards

DPI hosts the most modern leachate and water treatment system in Vietnam. It was designed and operates according to US EPA Subtitle D environmental and OSHA standards. DPI currently accepts 5,000 tons per day of municipal solid waste from Ho Chi Minh City (formerly Saigon). This serves a population of over 8 million in the Ho Chi Minh City area.

12 DPI Facilities

The DPI landfill is large, even by world standards. The facility includes a modern in-vessel composting operation, MRF, and transfer station building in 2010. In addition to providing the citizens of Vietnam safe and healthy sanitary landfill and recycling facilities, DPI will receive and recycle materials from global markets. DPI will provide western markets an alternative to other Asian markets. In September 2009 VWS was awarded approval to begin development and construction on a new, larger integrated solid waste facility, the Long An campus, exceeding 4,500 acres that will eventually compliment DPI. Additional information on DPI is provided in Attachment 4.

CWS has realized considerable success in increasing the amount of recyclable materials recovered at its recycling facility. We will continue and expand the key factors that have contributed to the company's success to ensure minimal processing residue and disposal from processing City of Milpitas recyclables. This will include expansion of recovering non-program materials, back-end processing and anaerobic digestion (AD).

Reference: City of San José

Contact:

Ms. Debbie Basher
Program Manager
Integrated Waste Management
Environmental Services Department
City of San José
200 East Santa Clara St.– 10th Floor
San José, CA 95113
debbiebasher@sanJoséca.gov
Phone: (408) 975-2511

1.C.4. Other Related Experience

Recycling Processing Experts

In addition to services provided by CWS in other communities that are similar to those proposed for the City of Milpitas (described in Section 2 and Section 3), waste companies with exclusive recycling collection and processing contracts bring to CWS about 130,000 tons per year of residential and commercial recyclables. These materials are processed at our facilities and CWS remits payment for the incoming tons to the waste companies on a monthly basis, as shown in Table 2:

Table 2 Private Companies Serviced by CWS Oakland

Customer	Services	Dates
Waste Management, Inc.	Processing of Residential and Commercial Recyclables	2003 to present
Republic Services (formerly BFI/Allied Waste)	Processing of Residential Recyclables	1996 to 1998, 2002 to 2010 when acquired by Republic
Recology Systems, Inc. (formerly Norcal Waste)	Processing of Residential and Commercial Recyclables	2015 to present
Republic Services	Processing of Residential Recyclables	2001 to present
Waste Connections	Processing Residential and Commercial single-stream	2011-2012
Timber Cove	Processing of Residential and Commercial single-stream from the City of Santa Rosa	2009 to present
CiviCorps	Recycling processing	2014 to present
Various commercial and industrial customers	Processing of Commercial Recyclables and Industrial Recyclables	ongoing

Materials Recovery Success

CWS is a material processing company that prides itself on recovering the maximum amount of materials in the waste streams it receives. CWS has successfully diverted over 90 percent of the material collected from Oakland residential and commercial sources and 90 percent of recyclables from San José'. This diversion percentage has been accomplished through diligent processing of the residential and multi-family/commercial customer waste stream at the company's two Oakland MRFs. This includes extensive pre-processing and presorting of materials such as bulky items, non-recyclables, and source-separated materials.

CWS has studied waste characterization reports on the Oakland and Alameda County waste stream from and developed a collection strategy and single stream recycling facility to ensure continued recovery of greater 90 percent of the recyclable materials it collects. Features utilized which have been successful include:

- Waste stream assessment
- Recycling program development
- Public education implementation incorporating feedback from customers
- Continual affirmation and modification of collection programs
- State of the art processing facility design and operation
- Innovative material marketing programs development

The Road to Zero Waste in the City of Oakland

In 2012, the City of Oakland decided to re-procure its entire solid waste management collection, processing and disposal services as part of its efforts to achieve Zero Waste. At that time, CWS was providing collection and processing services to half of the residential customers in the City. Waste Management of Alameda County, Inc. (WMAC) was providing the other half of the residential recycling services, collecting waste and yard waste from all the residential properties and waste from all the commercial sources in the City, and providing processing and disposal services for those materials it collected.

In anticipation of the upcoming procurement opportunity, CWS was in the process of acquiring a site for new state-of-the-art collection, processing and transfer infrastructure located in a redevelopment zone controlled by the City prior to the RFP being issued. During the process of acquisition of the Gateway property, which is part of the redevelopment zone near the Bay Bridge and adjacent to the Port of Oakland, CWS experienced various roadblocks.

On September 5, 2012, the City issued its request for proposals (RFP) for three service groups: 1 – Mixed Materials and Organics (MMO) Collection Services; 2 – Residential Recycling (RR) Collection Services; and 3 – Disposal Services. Proposers had to present their own or subcontractor infrastructure and assets (fixed and rolling) that could be operable for initiation of services on July 1, 2015. The terms of the RFP constrained responders to have pre-existing assets in or near the City. The total value per year of the services requested was estimated by CWS advisors to be approximately $100 million per year for contract terms that could approach 30 years with amendments. The City reserved the right to award the contracts to one or more firms. CWS and WMAC were the only responders to the RFP when their initial submissions were made on January 9, 2013. WMAC responded to all the service groups, while CWS responded initially to only Service Groups 1 and 2.

Following the initial submissions in January 2013, City staff and advisors undertook an intensive, extensive, and very time consuming evaluation, recommendation and selection process. City staff and its advisors recommended to the City Council that all services be awarded to WMAC even though pricing was lower from CWS for both and MMO services. During the Council's deliberations, it instructed staff to ask for best and final offers from both proposers and allow CWS to also propose on disposal services. CWS prepared and submitted a third proposal responding to the requirements in the RFP for Service Group 3. To provide for interim processing and transfer services, CWS made arrangements with both East Bay Municipal Utilities District and Republic Services, Inc., to allow it to meet the requirements of providing services on July 1, 2015, while the new CWS Gateway facility was being developed. Again, CWS's pricing was lower than WMAC, and now for all service groups. After deliberations, City Council awarded all three service group contracts to CWS in August 2014. City staff and advisors began to work out the details of the new agreement with CWS in order to move forward. As this was happening, WMAC undertook an effort to gather enough signatures to petition the City to take the contract award to a referendum. In September 2014, it became clear that the petition process was going to be successful in triggering a referendum to occur in April 2015. This would be only three months prior to the required initiation of services date of July 1, 2015. If the referendum moved forward and delayed award of the contract, there would be no way for CWS to acquire the necessary rolling stock to provide the services nor construct interim facilities at EBMUD to receive, process and transfer certain materials before July 1.

As a result, the City, WMAC, and CWS negotiated an arrangement whereby WMAC was awarded Service Groups 1 and 3 and CWS was awarded Service Group 2. However, WMAC was required to agree to the lower pricing bid by CWS for Service Groups 1 and 3, saving the City ratepayers millions of dollars per year.

Throughout this process, CWS proved its persistence and creativity in offering value for the extensive service requests the City made in its RFP and proposed service changes that would help achieve the City's Zero Waste goals. CWS's investment in the proposal process was significant to respond to the initial RFP terms, and later to the multitude of requests by the City staff and advisors over the two years of the evaluation and selection process. In the end, CWS secured the necessary financing for its rolling stock even before the City signed the Residential Recycling Collection Service Contract with CWS on May 22, 2015. And, most importantly, CWS has successfully implemented the required services seamlessly as of July 1, 2015. CWS's expansion of service to the City of Oakland doubled CWS services for Oakland.

CWS takes this same tenacious approach to all endeavors, and will do the same for the City of Milpitas. We are proposing as creatively as always, and will deliver what we say we will to provide the City of Milpitas with high quality services by a contractor that will appreciate the opportunity to serve.

1.D. Key Personnel

1.D.1. Key Staff

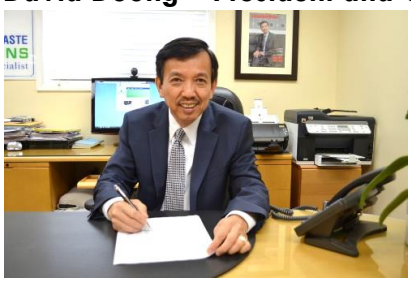
The core management team (detailed in the CWS organizational chart in Figure 3, above, includes:

- David Duong, President and Chief Executive Officer
- Kristina Duong, Vice President, Executive Director
- Victor Duong, Executive Vice President
- Joel Corona, Chief Operations Officer
- Long Tran, CPA, CFO & Vice President, Finance
- Terry Brokaw, San José (and Milpitas) Operations Manager

- Tim Tran, Accounting Manager
- Johnny Duong, Director of International Sales
- Leticia Jauregui, Safety and Environmental Manager
- Marissa Wong, Public Education Manager
- Glenn Canady, Processing Facility Manager, San José
- Adam Brandon, Customer Service and Contract Compliance Manager
- John Lam, Human Resources
- Pari Natarajan, Information Technology Manager

1.D.2. Owners

David Duong – President and CWS Founder



David Duong has over 33 years of experience in collecting, processing, and brokering. He is deeply committed to this proposal and will direct the CWS team. David built CWS from the ground up. He understands equipment, systems, and the financial and regulatory structures that support them. David has personally been involved in all aspects of this proposal and is 100 percent committed to partnering with the City of Milpitas to collect solid waste and recycling in the most professional, efficient and service-oriented manner possible.

David has extensive experience in overseas and domestic marketing, sourcing and brokering, small business start-up and funding, and recycling operations. His background includes serving as marketing manager for Norcal Waste Systems (DBA Zanker Resource Management), general manager of Norcal Waste Systems (DBA Cogido Recycling), and president and CEO of Cogido Paper Company. He received his secondary and post-secondary education in Vietnam. In May 2008, David Duong was the recipient of the prestigious Bay Trade Global Award, presented by The Bay Area World Trade Center, for his achievements in world trade and environmental sustainability by building his company around successful and global environmental stewardship principles. He has served as a Commissioner on the Oakland Waste Reduction and Recycling Commission, a Commissioner on the Oakland International Trade Commission, Chairman of the Board of Directors for the Vietnamese American Entrepreneur Association, a Director on the Board of Directors for the Silicon Valley Chamber of Commerce, and a Member of the Sacramento Asian Pacific Chamber of Commerce, and was appointed by President Obama and currently serves as a Board member of the Vietnam Education Foundation.

His responsibilities include:

- All aspects of the company's marketing, administration, profit and loss, financing, procurement, and environmental and contract compliance

Kristina Duong – Vice President, Executive Director

Kristina Duong works closely with the president/CEO on issues related to marketing, administration, profit and loss, financing, procurement, and environmental and contract compliance.

Unlike large firms where finances may be handled out of state, Kristina works directly with management so that decisions are made quickly and appropriately to get the services completed at the highest professional standard. Kristina previously served as an administrative assistant at Sampac Enterprises, where she was involved

in monitoring customer-service standards, scheduling domestic and overseas shipments, and marketing products. Ms. Duong attended Heald College in Oakland.

Her responsibilities include:

- Recyclable commodity sales in overseas and domestic markets
- Materials brokering
- Administrative, accounting and human resources functions,
- Financial support assurance for CWS collection and processing programs

Victor Duong – Executive Vice President

Victor Duong, a co-founder of CWS, has been involved in the solid waste and recycling industry for more than 33 years. He has worked with various chambers of commerce, and non-profit groups, such as Salvation Army, Goodwill Industries, Habitat for Humanity, and a broad base of civic groups and neighborhood associations. Victor began his recycling career in the family business and has been employed in that business since, growing with the business.

His responsibilities include:

- Conducting public affairs and community outreach
- Representing company to staff and elected officials in the US and abroad
- New business development and business expansion

1.D.3. Management Staff

Joel Corona – Chief Operations Officer

Joel Corona oversees company operations. For more than 23 years in the San Francisco Bay Area, Joel has been a leader in the development of solid waste and recycling collection and post-collection industry. His experience includes the initiation of source-separated, single-stream, commercial, organic solid waste and recycling programs. Joel has written government solid waste legislation for the State of California and served public, private, institutional, and military customers. His previous positions include those of Senior Corporate Profitability and Business Development Manager for Waste Management, Inc. in Houston, Northern California and Nevada; Market Area Recycling Manager for Waste Management Inc.; and Recycling Manager for Richmond Sanitary Service, a collection of, material recovery, and landfill companies. He was a key participant in the Vietnam Waste Solutions development of its modern landfill, transfer station, composting and recycling facility construction and continues to provide operational input. His achievements in the collection and post-collection recycling and disposal industry are complemented by outside activities that include service as a commissioner on the State of California Prison Industry Board and Honorary Group Commander at Travis Air Force Base. Joel received a business degree from the University of Southern California in Los Angeles, and earned a MBA from St. Mary's College of California.

His responsibilities include:

- Obtaining and administering franchise agreements, operating permits, and rates
- Providing long- and short-range plans to guide operations, finances, and new business opportunities
- Negotiating and administering collective bargaining agreements

- Negotiating agreements with customers, vendors, landfill operators, and buyers of recycled material
- Representing CWS to public agencies and the public to maintain goodwill and understanding of our waste management practices and financial requirements
- Ensuring compliance with environmental regulations, employee safety standards, other applicable regulations and corporate policies
- Identifying and responding to new customer service opportunities

Long Tran, CPA, CFO & Vice President, Finance

Long Tran is a certified public accountant licensed in California since 1980. Long has been with CWS since its inception in 1992, starting as its outside public accountant, and employed internally since 2002, as Vice President-Finance. His experience includes directing finance and accounting functions in addition to taxation and managerial accounting and economics. His expertise includes forecasting and budgeting, financial analysis and reporting, internal controls, process improvements, SOX Section 404 training, asset based lending, cash management, and credit and collections.

Long has a B.A. degree in Accounting and Finance from San Francisco State University and a MBA in Taxation from Golden Gate University.

His responsibilities include:

- Interfacing with banks to structure financing for CWS capital projects
- Financial reporting to independent auditor
- Overseeing CWS tax accounting
- Overseeing bookkeeping and accounting staff

Glenn Canady – Plant Manager, MRF Oakland

Glenn started his career in the Solid Waste Post Collections in 1987, for Waste Management in Fremont, California. He worked for with that firm for 26 years in the solid waste and recycling. He then started with Litter Control and worked his way up to Operations Manager at the Davis Street Transfer Station in San Leandro, California. As the Operations Manager, he was responsible for thirty-five workers and four Operators/Truck Drivers, in addition to over eighty sorters on the recycling lines. He was also overseeing the C&D MRF and the "dirty" MRF during this time.

Glenn was responsible for all safety and safety meeting for each line of business and working along with the Maintenance Manager to control all rolling stock used in each line of business.

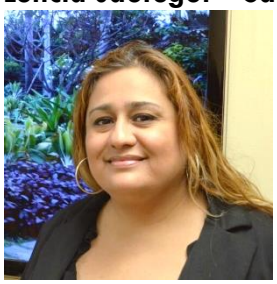
In January of 2014 he joined CWS as Assistant Plant Manager. He was promoted to Plant Manager in October of 2015. He is responsible for thirty-three sorters and four maintenance crew members, daily, along with two supervisors.

Johnny Duong, Director of International Sales

Johnny has led significant efforts to expand CWS marketing capacity by fostering strong and stable global partnerships. His keen ability to anticipate market demands has given CWS an edge in gaining new opportunities with domestic and international trading. His achievements with ensuring that CWS finished products meet global quality standards of marketability and demand have benefitted CWS customers through price and diversion stability during a variety of market conditions.

His ability to market products from throughout the United States is complemented by his development of CWS's own global trading offices in China and Ho Chi Minh City, Vietnam. CWS's near-unique ability to serve the continuum of recycling from the point-of-material-generation (our customers) to the point-of-product-reuse (our trading mills) is a special feature that supports solid waste diversion goals.

Leticia Jauregui – Safety and Environmental Manager



Leticia Jauregui began working for CWS in 2007, participating and leading environmental compliance activity for the six CWS domestic sites. During her first year, she developed a new employee safety incentive program and improved safety and environmental compliance. Leticia has successfully managed both CWS collection and material recovery operations in Oakland, leading to increased productivity, revenue and customer satisfaction.

Prior to joining CWS, Leticia worked in administrative and operations at Waste Management Inc. in Alameda and Stanislaus Counties. She brings over 20 years of experience in the waste industry with a rich, well rounded working knowledge in operations, material recovery budgets, human resources, training, safety, and contract compliance. She has a strong background in various lines of business for commercial and residential collection, industrial, Port-Let, recycling, yard waste and C&D services.

Her responsibilities include:

- Maintaining a comprehensive safety program for operations and exposures that complies with regulatory agency and corporate requirements
- Managing occupational safety and health program elements and activities
- Performing job hazard analyses, conducting safety observations and reviewing reports of safety observations performed by others
- Ensuring compliance with governmental regulations and monitoring environmental compliance with applicable regulatory and corporate requirements
- Monitoring permits, including determining that site plans and permits are current and compliant
- Overseeing management and disposal of hazardous waste, preparing manifests for hazardous waste disposal shipments and managing documentation for Hazardous Waste Disposal Fees, Hazardous Waste Generator Fees, EPA ID Questionnaires, and Manifest Fee Returns

John Lam – Human Resource Generalist

John Lam, who has been with CWS for 5 years, is responsible for all aspects of Human Resources.

John remains current on industry practices regarding employee leave law, labor law, legislation updates, management trainings, compliance training (sexual harassment) and miscellaneous areas including CPR and first aid. Prior to joining CWS, John was Human Resources Generalist at Kana Software. He has a Bachelor's degree from the University of Phoenix.

His responsibilities include recruitment, on-boarding, benefits, employee relations, employee retention, terminations and management of grievances.

Adam Brandon – Customer Service and Community Compliance Manager

Adam joined CWS in 2015 as the Contract Compliance & Customer Service Manager. He oversees the daily operations related to customer service and compliance of regulations and contractual agreements. Since coming to CWS, Adam has developed and revised many of the policies and procedures for the customer service department. Recently, Adam developed a contact center mentoring and training program which increased the overall customer experience, efficiency, and productivity of the Call Center. Adam brings over 15 years of experience leading customer service organizations and talent development throughout the U.S. and abroad. He has extensive knowledge in a number of industries including, hospitality, medical, real estate, telecommunications, insurance and environmental. Adam is skilled in effective communication, driving metrics, team building, mentoring, training, and has a passion for driving stellar customer service internally and externally.

Adam's duties include:

- Receiving and investigating customer complaints regarding services and rates
- Correcting service problems through or in coordination with appropriate supervisor
- Adjusting rate and billing disputes
- Assisting collection supervisors with unusual problems or incidents in the field
- Developing and implementing processes and procedures to improve and ensure customer satisfaction
- Developing and preparing reports as directed

Pari Natarajan – Information Technology Manager

Pari Natarajan focuses on application of information technology solutions that improve organization management, performance and efficiency, and diagnosis and resolution of computer, network, and infrastructure issues. He has effective IT skills that complement the advancing computer aided recycling collecting and processing equipment operated by CWS and his expertise with and incorporation of sophisticated computerized equipment and technology services provides to CWS opportunities to continually innovate within the solid waste industry. He managed various contractors and vendors to successfully complete the information technology requirements set forth by the City of San José for the 2006 recycling program.

Prior to joining CWS, Pari managed IT infrastructure and staff for a semiconductor company that develops innovative, chip-based power management. He has a B.S.in Business Administration with a Minor in Management Information Systems from the University of California Riverside and an A.A. from DeAnza College in Computer Information Systems, holds various certificates from Microsoft and is a Microsoft certified small business specialist.

His responsibilities include:

- Monitoring communication, global positioning and telemetry for collection and distribution vehicles
- Assuring radio and text communication functionality from remote collection sites and processing sites
- Assuring specification refinement, diagnosis and repair of commuter recognition optical sorting equipment
- Managing service design, modeling and work-load balancing for commercial and residential collection routes
- Managing the CWS computer and software system to enable communication, networking and service profiles for CWS customers

Tim Tran – Accounting Manager

Tim Tran has been with CWS for 13 years, previously serving as Assistant Controller. Prior to joining CWS, Tim was a staff accountant for an international company involved with a specialized recycled commodity. Tim has a B.S. degree in Business Administration with a double concentration in Accounting / Finance and an A.A. degree in Business Administration. He remains up-to date through continued training on payroll, W/C, safety management, and other accounting practices.

His responsibilities include:

- Managing the Accounting Department including A/R, A/P, Payroll, G/L, and banking
- Preparing financial reports and supporting operations with accurate data to increase productivity and reduce costs
- Providing analytical support to all departments, the CFO, COO and upper management
- Coordinating internal and external audits
- Implementing accounting policies & procedures
- Managing budgets and financial planning
- Supervising administrative staff
- Overseeing books and financial reports for four related entities

1.E. Labor Agreements and Wages

1.E.1. Labor Agreement:

CWS employees in Milpitas would be represented by the Teamsters Union Local 350. The company has three collective bargaining agreements with that union, provided in Attachment 5. CWS maintains a successful collegial relationship with Teamsters Local 350 and continues abiding by all current wages, benefits and bargaining terms for all our solid waste and recycling drivers. CWS has attached our

Collective Bargaining Agreements in Attachment 5, which are valid though the Contract term. This also reflects our culture of work retention.

1.E.2. Employee and Labor Relations

CWS is a minority owned business and is very proud of its broad-based and inclusive workplace and stakeholder diversity.

CWS stakeholders include:

- Owners and employees
- Customers and municipalities
- Consultants, contractors and unions
- Suppliers and buyers of goods and services

CWS attributes much of its success to the diversity of its management and non-management team members. The rich professional and cultural experiences brought to the company by our team contribute a wealth of assorted ideas, perspectives, and innovations that continuously strengthen the services we provide to all of our stakeholders. This wonderful array is seen in the faces of our colleagues and daily practices of our enterprise.

In addition to the rewards of a diverse workforce, CWS supports and abides by the letter and spirit of the Equal Employment and Opportunity Commission (EEOC) and American with Disabilities Act (ADA) that protects our staff and stakeholders from discrimination. Protected categories include or address:

- Age
- Disability
- Equal pay & compensation
- National origin
- Race and/or nationality
- Religion
- Retaliation
- Sexual orientation
- Genetics

CWS policy fulfills the law and spirit of the EEOC through its hiring, training, employee treatment and application of commerce. We in part achieve regulatory compliance by publishing and distributing a CWS Employee Handbook, as well as conducting annual and routine training of our managers and staff. CWS will continue to apply EEOC and ADA standards to our existing, expanding, and new operations and facilities.

CWS will provide training to minimize the risk of work place violence. All employees will be trained in Alternative Dispute Resolution. This will help employees understand that there are alternative methods to resolve disputes when a conflict has emerged. CWS will institute a Threat Assessment Team that will work with management to assess the potential for workplace violence.

Union Relations

CWS employees in Milpitas would be represented by the Teamsters Union Local 350. The company has a collective bargaining agreement with that union. CWS maintains a successful collegial relationship with Teamsters Local 350 and continues abiding by all current wages, benefits and bargaining terms for all our

solid waste and recycling drivers. CWS has attached our collective bargaining agreements, in Attachment 5, and they are valid though the Contract term.

We are willing and able to respect and work cooperatively with all unions and all employees, whether working under collective bargaining agreements or not. We have a worker retention program, as well.

1.F. Past Performance Record

1.F.1. Litigation and Regulatory Actions

CWS has no pending civil, legal, regulatory, and criminal actions (including arrests, indictments, litigation, grand jury investigations, etc.). Actions of this nature that have occurred in the past ten (10) years against the key personnel identified above, proposing entity, its parent company, and all subsidiaries owned by proposing entity include:

Waste Management of Alameda County v. City of Oakland et al.; Alameda Sup. Ct. No. RG14737204 In 2014, Waste Management filed a Petition for Writ of Mandate and Complaint for Dec. Relief against the City of Oakland following Oakland's award of its solid waste and recycling franchises to CWS. CWS demurred as the real party in interest. Shortly after its filing, the case was resolved and dismissed by Waste Management.

Clean West Oakland Now, et al. v. City of Oakland, et al.; Alameda Sup. Ct. No. RG14740465 In 2014, Clean West Oakland Now filed a Petition for Writ of Mandate and Complaint for Dec. and Injunctive Relief against the City of Oakland following Oakland's award of its solid waste and recycling franchises to CWS. Shortly after its filing, the case was resolved and dismissed by Petitioners.

California Waste Solutions, Inc. v. Norcal Waste Systems, Inc., now known as Recology, American Arbitration Association Case No.: 74 181 Y 00581 04 LMT In the San José Subcontract between Norcal Waste Systems, Inc. ("Norcal") and California Waste Solutions, Inc. ("CWS"), Norcal promised to deliver no more than 10 percent non-recyclable materials. CWS built its recycling facility and purchased recycling machinery based on that promise and expectation that it would not need to operate a solid waste facility. Norcal, however, breached the contract by inundating CWS with, on average, 20-25 percent non-recyclable material. As a result of Norcal's breach, CWS suffered equipment failures and processing difficulties, was fined by the City, and was ultimately forced to obtain a Solid Waste Facility Permit. Norcal filed a counter-claim against CWS, alleging that CWS breached the San José Subcontract by failing to process 95 percent of incoming recyclables. The neutral arbitrator rejected Norcal's counter-claim, found that Norcal materially breached the Subcontract, and awarded CWS damages in the amount of $5,211,489.90. The judgment included repayment to CWS of fines that had been imposed in an enforcement action brought by the City of San José (Santa Clara County Superior Court Case No. 1-03-CV002609 filed in 2003). The enforcement action was based on the amount of residue from processing at CWS's San José facility and the costs associated with securing a Solid Waste Facilities Permit which was required due to the excessive impurities in the materials delivered to the facility by Norcal.

California Waste Solutions, Inc., OSHA Inspection No. 1225566885 In 2005 CWS suffered a workplace fatality when an employee entered a material baler without using proper safety procedures and was killed. Our deceased colleague acted alone. An OSHA investigation was commenced and a citation was issued (Citation No. 1225566885). CWS

appealed the Citation (Docket No. 05-R1D4-3087/3090). CWS was charged with violation of Labor Code Section 6423(a)(2), and resolved the entire matter by paying a $155,000 fine. In order to prevent another such occurrence, CWS continuously works to prevent accidents through training and procedural safeguards.

California Waste Solutions, Inc., vs. County of Sacramento CWS commenced litigation with the County of Sacramento (California Waste Solutions v. County of Sacramento, Sacramento County Superior Court, Action No. Case No. FCS029737). CWS was a purchaser of unsorted recyclables from Sacramento County. The dispute involved the County's performance under the contract and issues pertaining to the renewal of the contract. After a jury trial in March of 2009, CWS won a judgment against the County of Sacramento for $340,773 which has been paid in full. The court also found that the contract had been properly terminated.

Saddah v. CWS; Alameda Sup. Ct. Case No. RG12661734 Case was related to EEOC complaint by plaintiff in 2012. The complaint did not specify damages sought by plaintiff. CWS did not believe the case was meritorious. Case was dismissed with prejudice by plaintiff in 2012.

Thompson v. CWS; Alameda Sup. Ct. Case No. RG12661731 Case was related to EEOC complaint by plaintiff in 2012. The complaint did not specify damages sought by plaintiff. CWS did not believe the case was meritorious. Case was dismissed with prejudice in 2012.

Baldwin v. CWS; Alameda Sup. Ct. Case No. RG12661727 Case was related to EEOC complaint by plaintiff in 2012. The complaint did not specify damages sought by plaintiff. CWS did not believe the case was meritorious. Case was dismissed with prejudice by plaintiff in 2012.

Ledit v. CWS; US Dist. Ct -Northern Dist. of California Case No. C-12-6255 Case was related to EEOC complaint by plaintiff in 2012. The complaint did not specify damages sought by plaintiff. CWS did not believe the case was meritorious. Case was dismissed with prejudice by plaintiff in 2012.

Environmental Protection Agency v. CWS The Environmental Protection Agency ("EPA") commenced a series of enforcement actions against CWS, USEPA Docket Nos. CWA-309(a)-07-002 (December 4, 2006) and CWA-309(a)-07-007 (February 2, 2007) (collectively, the "Action"). The Action was predicated on the EPA's Finding of Violation and Order for Compliance issued on February 2, 2007. In the Action the EPA alleged violations of the Clean Water Act at three CWS facilities containing sorting devices, picking lines and balers where recyclables are run across conveyor belts and sorted both manually and by machine and where marketable materials are baled or otherwise packaged for sale into the domestic and global recycled commodities markets. Two of the facilities are located in Oakland and one in San José. The EPA also alleged violations at a facility in Oakland where CWS services its vehicles and equipment. CWS entered into a Consent Agreement and Final Order (CA/FO) in early 2009 without admitting wrongdoing. The CA/FO resolved the Action and provided for the payment of $261,400. There have been no allegations by the EPA of non-compliance with the Clean Water Act since the Action.

State of California Department of Industrial Relations- Citation and Notice of Penalty The California Division of Occupational Safety and Health, in its Inspection No. 310636618 of CWS's facility at 1005 Timothy Drive, San José, CA on May 22, 2007 and August 3, 2007, issued its Citation and Notice of Penalty on August 9, 2007. The penalties totaled $2100 and have been paid in full. The penalties pertained to the maintenance of documentation, the placement of emergency stop equipment, guard rail height, use of protective eyewear, and conveyor guards.

State of California Air Resources Board (1001 I Street, Sacramento, CA 95814) Settlement Agreement and Release. On April 9, 2010, CWS entered into a Settlement and Release Agreement with the California Air Resources Board and paid a civil penalty of $6500 to resolve allegations regarding violations of Health and Safety Code Sections 44011.6, and regulations contained in Title 13 of the California Code of Regulations pertaining to the testing of diesel emissions. There is no identifying number for the Settlement and Release. It was executed on behalf of the State of California by James Ryden, Chief of the Enforcement Division.

1.F.2. Payment of Fines, Penalties, Settlements, or Damages.

CWS has not paid any fines, penalties (including liquidated damages or administrative fees), settlements or damages to any public agency(ies) in the past 5 years.

1.G. Financial Information

1.G.1. Audited Financial Statements

CWS has provided under separate, sealed cover its audited financial statements for the most-recently completed fiscal year prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall be audited in accordance with Generally Accepted Auditing Standards by an Accountant certified in the State of California.

Figure 4 is a statement by the chief financial officer (CFO) of CWS that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared. "6.4.6" refers to the section location in the RFP instructions.

CALIFORNIA WASTE SOLUTIONS

6.4.6 Financial Statements

1. Chief Financial Officer Statement

October 21, 2015

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035

Dear City of Milpitas:

California Waste Solutions has not had any material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.

Sincerely,

Kristina Duong
Vice President

CALIFORNIA WASTE SOLUTIONS, INC.

1820 10th St, Oakland CA 94607-1450 USA
Main Office 510.832.811 Fax 510 832.8206
www.californiawastesolutions.com

Figure 4 CFO Statement

1.G.2. Financing Plan (Sources and Uses)

Table 3 shows the sources and uses for capital financing of our Base Proposal and of Alternative Proposal 1, which CWS feels is the better option. The bank and financing letters in Attachment 2 show our ability to secure this funding.

Table 3 Sources and Uses of Funds for Base Proposal and Alternative Proposals

	BASE PROPOSAL		ALTERNATIVE PROPOSAL 1 (all carts)	
Sources of Funds				
California Pollution Control Financing Authority		$ 19,138,599		$ 21,310,882
Total Sources of Funds		**$ 19,138,599**		**$ 21,310,882**
Uses of Funds				
CapEx				
Vehicles	$ 11,491,085		$ 11,491,085	
Containers	$ 5,988,558		$ 8,118,248	
Fixed Assets	$ 1,283,689		$ 1,283,689	
Total Expense		**18,763,332**		**20,893,022**
Financing Costs of Note Issuance and Bank Costs		**$ 375,267**		**$ 417,860**
Total Uses of Funds		**$ 19,138,599**		**$ 21,310,882**

2. Technical Proposal for Base Proposal

2.A. Collection

CWS proposes to provide solid waste, recycling, and organics collection and processing to Milpitas' single-family, multi-family, and commercial customers, as described in Tables 3-1, 3-2, and 3-3 of the RFP document, and street sweeping. CWS has considerable experience collecting and processing commercial recyclables in the Bay Area, including Santa Clara County, and has developed a quality management team, selected the highest quality vendors, and further supplemented internal resources with knowledgeable industry professionals who have specialized expertise in commercial collection and recyclables processing. CWS has demonstrated a unique ability to motivate customers to initiate and sustain waste diversion programs through excellent education and support. The keystones of our services to customers are:

- Programs and presentations appealing to specific customers
- Education and training in multiple languages
- Analysis of opportunity by recycling
- Reporting of progress from recycling
- Continual communication and support
- Demonstrated value for effort exerted
- Continual innovation
- Dedication to safety, worker care, and regulatory compliance

From day one of the franchise agreement, CWS will deploy the new state-of-the-art front-end loader, side loader, rear loader, and roll-off fleet to provide maximum flexibility. All vehicles will be equipped with GPS and on board communications equipment. The greatest level of emissions reduction will be provided with a new, state-of-the-art, highly efficient CNG-powered collection fleet. CWS will purchase new containers that eliminate storm water runoff to meet the highest environmental standards. These will be used for both residential and commercial customers.

The CWS Team will work hand in hand with the City of Milpitas to develop and execute outreach programs, as described in 2.E. CWS will provide follow-up service and communications to identify any underperforming areas of the program in terms of recycling, organics, improper set-outs, etc., and to determine how best to address customer focused education programs.

CWS will provide the following services to the City of Milpitas:

<u>Single Family</u>

- Weekly solid waste collection
- Weekly single stream recyclables collection and processing
- Weekly yard waste collection
- Weekly used cooking oil, used motor oil, oil filter, and batteries collection
- Four annual on-call bulky pick-ups (included)
- On-call Sharps Collection, Transfer and arrangement for proper Disposal (optional service for customers for an additional fee)

- On-call Household Hazardous Waste Collection Processing, Transfer and Disposal (optional service for customers for an additional fee)
- Temporary Roll-Off Box Collection and Processing ("Bin for a Day," optional service for customers for an additional fee)

Multi-family

- Weekly (at a minimum) solid waste collection
- Weekly (at a minimum) single stream recyclables collection and processing
- Weekly used cooking oil, used motor oil, oil filter, and batteries collection and processing
- Yard waste recycling to comply with AB1826
- On-call bulky pick-ups (extra fee)
- On-call Sharps Collection, Transfer and arrangement for proper Disposal (optional service for customers for an additional fee)
- On-call Household Hazardous Waste Collection Processing, Transfer and Disposal (optional service for customers for an additional fee)
- Temporary Roll-Off Box Collection and Processing ("Bin for a Day," optional service for customers for an additional fee)

Commercial

- Weekly (at a minimum) solid waste collection
- Up to 6 times per week but not less than once every 60 days for compactors, and processing
- Yard waste recycling to comply with AB1826
- Food scraps recycling to comply with AB1826
- On-call bulky cleanups (extra fee)

City

- Free collection from City facilities (excluding schools)
- Free recycling to city facilities and parks and for rigid containers as needed
- Free shredding of confidential City documents
- Free collection at bus stops and container maintenance
- Free collection of self-haul delivery of solid waste and recyclables to the City corporation yard

Other

- Special Events
    - Provide six (6) free recycling containers to non-profit events
    - 500 cubic yards of free hauling and disposal services per year
    - 500 additional cubic yards of free special cleanup or other civic programs
- Public Outreach
    - Develop and distribute targeted information to customers related to recycling, organics, proper set-outs, and source reduction

  - Follow City quarterly schedule of development and distribution of collateral materials
  - Assist with outreach and distribution to non-English speaking residents
  - Perform street sweeping outreach
  - Assist with preparation and provide presentations to schools, community and businesses
- Temporary Debris_Box Services
  - Bin-for-a-Day Service
  - Stationed collection sites
- Compactor Service
- Street Sweeping

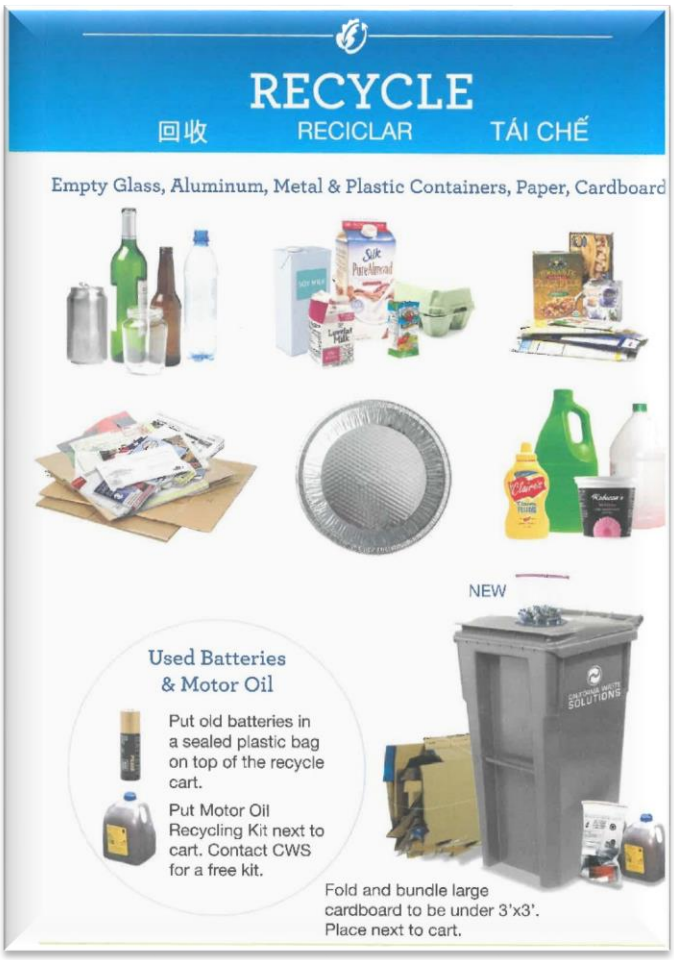


Figure 5 Recyclables Collected by CWS

The materials accepted within the program are as follows:

Solid Waste: All non-hazardous MSW not accepted for recycling; residents are encouraged to divert HHW materials and special wastes, and businesses must comply with state and federal laws related to similar materials. CWS aims for its customers to properly divert as much material from disposal as possible both to prevent pollution and to support CWS's economic model.

Recyclables: CWS accepts and processes a wide variety of single stream recyclables, generally typified as paper, cardboard, and food and beverage containers made of glass, metal, or plastic. An example of the materials we accept and how we communicate that to customers is shown in Figure 5. We also collect curbside for recycling used cooking oi; used motor oil and oil filters; textiles; batteries and electronics; and, scrap metal.

Bridging between solid waste and recyclables is bulky waste, like furniture and large pieces of scrap metal or waste wood, much of which will be recovered for reuse or recycling; however, the items are usually mixed with materials that need to be safely disposed, also.

Organics: This program's exact parameters are dependent on which proposal(s) the City accepts; however, the definitions of categories of waste remain the same. "Yard Waste" means trimmings, leaves, and brush arising from normal landscaping activities. "Organics" means the inclusion or addition of food scraps (exact instructions to be determined based on system) and soiled paper.

2.A.1. Base Waste Assumptions

CWS facility planning and proposed operational practices relating to this proposal are based on population projections, per capita generation, recent waste information, expected diversion achievements, and industry experience. CWS has made tonnage assumptions for the contract term, based on population projections and the impacts of its public outreach, education, and innovative diversion programs, discussed in greater detail in this and subsequent sections.

2.A.2. Carts and Bins

CWS will provide carts equipped with industry best practice RFID technology. The manufacturer—Otto, Shaffer, Rehrig Pacific, or a firm of equal or greater quality—will provide firm production and delivery timelines and personnel training. A sample cart specifications brochure from Otto is provided in Attachment 7.

Suggested Containers for Collection Customers

In consultation with the draft collection franchise agreement and its own experience, CWS has proposes the following containers for collection of solid waste, recyclables, and yard waste by the different sectors of customers, as shown in Table 4, Table 5, and Table 6.

Table 4 Solid Waste Set-out Containers – All customers (Subject to City of Milpitas Approval)

Characteristic	Detail	Initial Inventory
Sizes	Single-family: 64-, and 96-gallon carts if leased by Customer (with Cart purchase option) or customer-provided containers of 32-, 64-, or 96-gallons; collected once per week at the curb	96 gal. 8,000 64 gal. 12,000 32 gal. 2,000
	Multi-family: Carts and Bins: 32, 64-, and 96-gallon Carts; 1- to 8-cubic yard Bins (as requested by Customer); Compactors at City-approved "high density" locations; all collected 1 to 6 times per week, as requested, from an appropriate location agreed to by the customer	96 gal. 1,000 64 gal. 6,000 32 gal. 2,000 Bins same as current
	Commercial: Carts, Bins, Drop Boxes, Compactors: 32-, 64-, and 96-gallon Carts; 1- to 8-cubic yard Bins; and, 10-, 15-, 20-, 25-, 30-, 35-, and 40-cubic yard Drop Boxes or Compactors (as requested by Customer); all collected 1 to 6 times per week, as requested, from an appropriate location agreed to by the customer	96 gal. 1,000 64 gal. 6,000 32 gal. 2,000 Bins same as current
	City: 20, 32, 64, or 96-gallon wheeled Carts; or 1, 1.5, 2, 3, 4, 6 or 7 CY Bins; or 6 - 40 CY Roll-Off Boxes Collected as determined by the needs of the City	96 gal. 500 64 gal. 700 32 gal. 200 Bins same as current
Cart Construction	Injection-molded carts	
Color	Black	
Signage Identification	Labeled identification and program logos for branding	
Public Education	label with a Quick Read code for public education and material descriptions	

Table 5 Recycling Set-out Containers – All customers (Subject to City of Milpitas Approval)

Characteristic	Detail	Initial Inventory
Sizes	Single-family: 64-, or 96-gallon Carts available upon Customer request, collected once per week at the curb	96 gal. 8,000 64 gal. 12,000 32 gal. 2,000
	Multi-family: Carts, Bins: 64- and 96-gallon Carts; 1- to 8-cubic yard Bins (as requested by Customer), 32-gallon carts available for mobile homes only; Collected 1 to 6 times per week, as requested, from an appropriate location agreed to by the customer	96 gal. 1,000 64 gal. 6,000 32 gal. 2,000 Bins same as current
	Commercial: Carts, Bins, Drop Boxes, Compactors: 32-, 64-, and 96-gallon Carts; 1- to 8-cubic yard Bins; and, 10 to 50-cubic yard Drop Boxes (drop boxes must be picked up 2.5 times per month or bin rental fee applies) or Compactors (as requested by Customer); all collected up to 6 times per week but not less than once per 60 days, as requested, from an appropriate location agreed to by the customer	96 gal. 1,000 64 gal. 6,000 32 gal. 2,000 Bins same as current
	City: Options are: 32, 64, or 96-gallon wheeled carts; 1, 1.5, 2, 3, 4, 6 or 7 CY bins; 6 - 40 CY roll-off boxes as determined by City needs	96 gal. 500 64 gal. 700 32 gal. 200 Bins same as current
Construction	Injection-molded carts	
Color	Blue	
Signage Identification	labeled identification and program logos for branding	
Public Education	label with a Quick Read code for public education and material descriptions	

Table 6 Organics Set-out Containers – All customers (Subject to City of Milpitas Approval)

Characteristic	Detail	Initial Inventory
Sizes	Single-family: 32-gallon customer provided container; or, 96-gallon Contractor-provided cart, collected once per week at the curb; also, Christmas trees seasonally, uncontainerized	96 gal. 8,000 64 gal. 12,000 32 gal. 2,000
	Multi-family: 64- and 96-gallon Carts; 1- to 8-cubic yard Bins (as requested by Customer); Collected 1 to 6 times per week, as requested, from an appropriate location agreed to by the customer	96 gal. 64 gal. 32 gal. Bins same as current
	Commercial: 64-, and 96-gallon Carts; 1-, 2-, 3-, 4-, 6-, and 7-cubic yard Bins; and, 10-, 15-, 20-, 25-, 30-, 35-, and 40-cubic yard Drop Boxes or Compactors (as requested by Customer); Collected 1 to 6 times per week, as requested, from an appropriate location agreed to by the customer	64 gal. 300 32 gal. 200 Bins same as current
	City: 20, 32, 64, or 96-gallon wheeled Carts; or 1, 1.5, 2, 3, 4, 6 or 7 CY Bins; or 6 - 40 CY Roll-Off Boxes	96 gal. 100 64 gal. 50 32 gal. 100 Bins same as current
Cart Construction	Injection-molded carts	
Cart Color	Green	
Signage Identification	labeled identification and program logos for branding	
Public Education	label with a Quick Read code for public education and material descriptions	

Container Ordering and Delivery

CWS has initiated letters of commitment to acquire the carts, bins, roll-off boxes, and compactors needed to fulfill this contract. CWS officials will place binding orders with manufacturers soon after the City awards the Collection franchise. CWS will work with the cart manufacturer to engage a local subcontractor for cart delivery. The initial order will be adequate to distribute containers throughout Milpitas, and create a three-month replacement inventory. Benchmark dates for manufacturing, printing, and shipping will be agreed to by all participants and submitted to the City for approval. To ensure timely arrival, CWS will conduct weekly update calls with the manufacturer.

13 Cart Repair

Delivery of carts, bins, roll-off boxes, and compactors to Milpitas customers will begin on July 5, 2017, and be completed by September 1, 2017. This schedule ensures

complete delivery of containers before collection service begins on September 6, 2017.

Utilizing RFID technology, CWS will record cart and container distribution with customer name, address, container distribution date, container identification serial number, and container service history; data that CWS will use in reporting and for service monitoring. RFID technology will ensure account database accuracy, provide detailed service verification and inventory asset tracking, measure recycling participation by residence /landfill diversion, identify specific areas and customers for directed education campaigns, and provide the infrastructure for future collection data tracking programs.

Cart delivery will begin four weeks prior to the start of collection service and be completed citywide before service begins. Cart delivery will be performed in all areas to the full satisfaction of every customer.

CWS's Milpitas cart repair staff will work closely with the CWS transition team and cart manufacturer to sufficiently train personnel on cart repair, cart inventory and asset control best practices, and work-order protocol.

2.A.3. Container Sizes and Types

CWS will provide all customers with the appropriate size collection container for solid waste, recyclable, and organic materials. The base proposal is to replicate the system currently existing in the City, as shown in Table 3-1 of the RFP. SFD Customers requesting to lease carts for solid waste or for organics shall be able to choose from the options described in Table 4 or Table 6; all other customers shall receive appropriate solid waste containers and organics as shown in the tables. All customers shall receive a recycling container as shown in Table 5.

14 Sample QR Code for CWS's Website

These carts will be injection molded for maximum strength and durability. The colors shall be as stipulated in the RFP and shown in Table 4, Table 5, and Table 6. . Signage on each will identify it as part of the City of Milpitas' program, with Milpitas program logos and identification in-mold stamped for durability on the container lid and body. The in-mold label will feature a Quick Read (QR) code that can be scanned by a Smartphone, with information transported to CWS's website and alerts provided on changes in service, collection schedules, and call center information.

CWS will provide residents with opportunities to request replacement carts once per year for single-family residences, twice per year for multi-family residences per terms of the Agreement. Drivers will be trained to identify containers on each collection route that require repair and CWS will provide ongoing cart maintenance services as required.

CWS's multi-family customers at buildings with a high level of demand, businesses, government buildings, commercial customers, and others requiring larger-sized recycling disposal containers will receive metal dumpsters, roll-off boxes, and compactors as appropriate for their needs. CWS will work with customers to select the most appropriate container size for their level of recyclables generation and vehicle access to the collection locations.

All metal bins, compactors or roll-off boxes furnished by CWS will be either painted or galvanized and display CWS's name and a local or toll free customer service telephone number, and will be kept in a clean and sanitary condition. Each bin, compactor or roll-off box for a specified material type (cardboard, glass, etc.) will include a description of the type of material to be placed within and be painted in a color and manner, approved by the City, which is unique to that type of material.

15 Cart Replacement and Repair

CWS drivers will be trained to identify and report containers requiring maintenance. A work order will be submitted to maintenance for appropriate work to be performed. Maintenance activities will include graffiti removal, and wheel, lid and leaks repair, painting and decal installation. Prior to customer delivery, containers will be cleaned, inspected and repaired or painted again if necessary, and affixed with appropriate decals and company identification as specified in the Franchise Agreement. Upon request for a maximum of one (1) time per quarter, CWS will clean or replace any bin, compactor or roll-off box marred by graffiti within five (5) work days. For containers not marred by graffiti, CWS will provide once annually, container exchange of CWS owned containers without charge for SFD customers, and twice annually for MFD customers, where requested and appropriate.

2.A.4. Vehicles

CWS will provide cart and bin service to customers with newly acquired McNeilus Front End Loader® vehicles that have 40-cubic yard volume bodies on a Peterbilt cab and chassis. A brochure from McNeilus showing the model type and accompanying specifications is shown in Attachment 7. Cart containers (32, 64, and 96 gallons in volume) will be emptied into the side loader truck with an automated arm connected to the vehicle. CWS has selected the McNeilus brand of vehicles for a number of reasons including equipment efficiencies, low maintenance, and cost-effective servicing options. Roll-off and compactor containers (10, 14, 20, 30, and 40 yards in volume) will be serviced by three-axle Nor Cal Roll Off Dead Lift trucks with a Peterbilt cab and chassis. They will service all roll-off container types.

CWS's proposed collection fleet of McNeilus® trucks and Peterbilt Chassis CWS's proven combination of truck and chassis vendors offers low operating costs, great reliability, continuous safety and design innovation, reduce noise emission., making them an economically, safe, quiet and environmentally-friendly professional vehicle that the City will be proud to have working on its streets among residences and businesses.

Alternative Fuel Use

In its ongoing commitment to environmental responsibility, CWS Milpitas collection trucks are currently planned to be fueled by compressed natural gas (CNG).

As emission standards become more stringent, alternative fuels have become increasingly popular. Many proponents of alternative fuel use cite resultant lower maintenance costs, Environmental Protection Agency (EPA) emissions standards compliance, improved air quality, quieter streets, and increased U.S. energy independence compared with traditional petrodiesel fuel use. CWS will continue its successful practice of

environmental stewardship and offer Milpitas collection trucks with either clean, low-emission bio-diesel or CNG fueling. In the east Bay Area, CWS currently operates and maintains approximately 50 trucks fueled by clean bio-diesel and 50 trucks by CNG.

CWS is a demonstrated leader in achieving the most environmentally friendly solid waste collection fleet in the history of San José. In 2007, CWS implemented use of alternative low sulfur fuel on all new collection trucks; investing in this new and expensive technology before any other solid waste firm in the United States and two years ahead of US EPA requirements. In 2010 CWS committed to further improve environmental efficiency by upgrading trucks to operate on bio-diesel. CWS has continued and will continue this leadership position with regard to advanced and alternative fuel low emission vehicles and equipment in the City of Milpitas.

The reductions in environmental impact and emissions achieved by converting fleets from diesel to biodiesel or CNG are significant. Vehicles utilizing these alternative fuels produce less carbon monoxide, fewer volatile organic compounds and lower levels of particulate matter and carbon dioxide when compared to traditional diesel trucks, causing less smog and fewer human health impacts. A U.S. Department of Energy study showed that using CNG in refuse vehicles instead of diesel fuels results in an estimated 22 percent fewer greenhouse gas emissions per truck annually.

Table 7 Emission Reductions for CNG Vehicles Compared to Diesel Vehicles[1]

Emission	CNG Reduction from Diesel
Carbon Dioxide	20-30%
Carbon Monoxide	70-90%
Sulfur Dioxide	99%
Nitrogen Oxide	75-95%
Particulate Matter	90%
Volatile Organic Compounds	89%

Although CNG vehicle acquisition cost is higher than for diesel trucks, the costs are offset by lower and more predicable fuel costs, and lower maintenance costs. McNeilus estimates that a minimum fuel savings of $15,000 per year per vehicle can be achieved by switching from diesel to a CNG powered refuse vehicles.[2] **CWS includes CNG fueling in the price of this proposal.**

Additional benefits to the City of Milpitas of a CNG-powered fleet:

- Noise reduction: CNG-powered refuse truck engines are significantly quieter than those of diesel refuse trucks. Diesel-powered refuse trucks can generate noise levels as high as 100 decibels, which is high enough to cause permanent hearing damage – quieter natural gas trucks protect workers from hearing damage
- Independence: Natural gas is a domestically abundant fuel and every truck powered by natural gas enhances our energy and economic security by reducing our national reliance on foreign oil

[1] 100% Biodiesel = B100; 20% Biodiesel 80% Diesel blend = B20
[2] Assumes CNG price of $2.50/gallon, Diesel price of $4.00/gallon, fuel usage of 40 gallons/day

- Human health: The US Environmental Protection Agency (EPA) estimates that occupational exposure to diesel exhaust increases the risk of lung cancer between 20 and 50 percent
- Cost savings: Other cities throughout California and the U.S. have realized significant savings and environmental benefit from conversion to CNG-fueled refuse fleets. Columbus, Ohio saved $33,600 each year on fuel costs from each of its natural gas refuse trucks.
- Air emissions: The City of Los Angeles Bureau of Sanitation recorded a 23 percent reduction in nitrogen oxide emissions with the use of natural gas in its fleet. Seattle's waste management fleet added 106 CNG vehicles to its fleet of collection vehicles as replacement for older diesel models and saw a 20 percent reduction in greenhouse gas emissions using natural gas trucks over the life of the truck

16 Commercial Roll-Off Truck

- Systems: As part of CWS's CNG fuel offering, CWS will install its own CNG fueling station. CWS is willing to share its fueling facility with other private or public CNG fuel users to expand the use of this low emission fuel.

CWS's proposed fleet of McNeilus® CNG-powered trucks offers lower fuel costs and reduced noise pollution, and they are six times cleaner than diesel-powered trucks, making them an economically and environmentally-friendly alternative fuel solution for consumers. As part of the anaerobic digestion concept described in Section 4, CWS would install its own CNG fueling station. CWS is willing to share its fueling facility with other private or public CNG fuel users to expand the use of this low emission fuel.

Collection Vehicle Specifications

All collection vehicles and equipment that CWS will use in Milpitas will have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All safety markings will comply with California Vehicle Code requirements, and all collection vehicles will be equipped with audible back-up warning devices.

In order to provide the best, most modern, safest and most efficient services to Milpitas customers, all CWS equipment and vehicles will be high quality, and collection vehicles will be newly manufactured 2016/2017 vehicles. They will be designed and operated so as to prevent collected materials from escaping the vehicles; hoppers will be closed on the top and sides with screening barriers to prevent collected materials from leaking, blowing or falling from the vehicles. All trucks will be watertight and operated such that no liquids spill while recyclables are being collected.

Table 8 Vehicle Equipment Metrics

Truck Type	Application	Manufacturers	Capacity	Number	Fuel
Roll Off Dead Lift	Roll-Off Collection	Peterbilt/Nor Cal	N/A	3	CNG
Container Carrier (Forklift)	Container Delivery	Ford/Nor Cal	N/A	1	CNG
Long Floor Front Loader (FEL)	Collection Services	Peterbilt/ McNeilus	40 yd	16	CNG

Truck Type	Application	Manufacturers	Capacity	Number	Fuel
Standard Rear Loader (REL)	Collection Services	Peterbilt/ McNeilus	25 Yd	1	CNG
Flat Bed with Lift Gate	Cart Delivery	Peterbilt		1	ULSD
Supervisor Pick up	Collection, Route Management and Customer Service Support	Ford	N/A	2	ULSD

Additional information regarding the vehicles to be purchased is provided in Attachment 7 and Attachment 8.

To be sold in California, new collection vehicles must meet stringent noise emission standards. CWS drivers will be sensitive to compacting and cycling loads within 150 feet of residential properties. All CWS vehicles will be in full compliance with local, state and federal clean air requirements that have been or are proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in CCR Title 13, Section 2021 et seq and the Federal EPA's Highway Diesel Fuel Sulfur regulations. CWS successfully completed all California Highway Patrol Biennial Inspection of Terminals (BIT) for truck mechanical safety, fitness and operation proficiency.

All collection vehicles will have City-approved signage on each side and the rear to clearly state that it is servicing the City of Milpitas, provide CWS's name and customer service telephone number, and display the Milpitas Recycles logo and vehicle identification number. The vehicle will also have space for poster advertising to promote the recycling and diversion programs. CWS will repaint all vehicles (including vehicle striping) as frequently as necessary to maintain a positive public image.

All collection vehicle windows, mirrors and cab interiors are cleaned daily by their drivers. Exterior cleaning is performed weekly, and washes will be conducted in a manner that conforms to the California Storm Water Quality Association (CASQA)'s BMP Guidelines for Non-Point Source Pollutants. Painting and signage replacement will be conducted as needed as fading or chipping occurs. Trucks will be inspected both pre and post trip daily by drivers and weekly by maintenance personnel for any damage to the exterior that may require repair. Preventive maintenance service will be performed on all vehicles according to manufacturer specifications. CWS will maintain collection vehicles in a clean condition and in good repair at all times, and ensure that no collected materials, oil, grease or other substances will blow, fall out, escape or leak out of the vehicle. CWS is keenly aware of the current and ongoing drought conditions in California, and will comply with all government directives and orders related to water use and will strive internally to conserve water whenever possible.

17 Vehicle Cleaning

Vehicle Maintenance

18 CWS Collection Fleet

CWS proposes to purchase new collection vehicles from Coast Counties Truck and Equipment Co. in San José with a ten-year comprehensive warranty. This warranty covers all major maintenance items. During the warranty these major warranty repairs will be performed at their facility located at 1740 North 4th Street in San José. This is a large facility with ample room for staging equipment prior to delivery. Coast Counties' service and parts departments and warranty services are open from 8:00 a.m. to 5:00 p.m. Monday through Friday. During the contract period, CWS will perform oil changes and other preventive maintenance functions according to the schedules provided by equipment manufacturers and Coast Counties. The goal of CWS fleet maintenance is to minimize unscheduled repairs. CWS will keep vehicles maintained on schedule in keeping with fleet operation best practices.

Road service will be performed by CWS and Coast Counties and CWS estimates a response time of no more than 60 minutes for replacement vehicles to be put into service. The specific time for any replacement will be influenced by breakdown location and traffic conditions at the time. Replacement collection vehicles will be dispatched by CWS from the vehicle storage yard. Should an in-service vehicle breakdown occur, the operator will notify the CWS Collection Supervisor who will generate a Service Order that is transmitted to fix the vehicle. CWS maintains sufficient reserve fleet to address and respond to any truck down-time.

19 Berryessa truck repair facility

CWS will continue maintaining an industry standard reserve spare vehicle ratio to be placed into service in the event regular route trucks experiences breakdowns. At all times, reserve collection equipment, corresponding in size and capacity to the standard fleet and equipment used by CWS for this contract, can be put into service and operation within one (1) hour of breakdowns.

Major item repair records will be generated and maintained by Coast Counties using automated fleet maintenance software. These repair records will be transmitted to CWS so that the Collection Supervisor has a complete file on each vehicle, can predict availability and anticipate issues.

Per the Agreement, CWS will keep a maintenance log for all collection vehicles, available to City staff upon request, that includes each vehicle's assigned identification number, purchase or initial lease date,

routine maintenance performance dates, and additional maintenance dates and descriptions. Each year, CWS will report to the City its record of collection vehicles and major equipment; assigned identification numbers, DMV license numbers, chassis and body ages, type of fuel used, type and vehicle capacities, number of vehicles by type, acquisition date, decibel rating and maintenance status.

Financing Method

CWS will finance collection vehicles and containers through a line of credit from the MUFG Union Bank, located in Los Angeles, California.

Vehicle Routing

CWSs' Chief Operations Officer will lead appropriate staff in analyzing existing Milpitas routes to validate existing route maps, identify efficiencies that can be achieved through route or schedule alterations. Under no circumstances would efficiencies be made at the expense of changing residents' collection day unless accepted beforehand in writing by the City.

20 Route Management and Coordination

CWS has successfully used RouteSmart™ software for routing its collection services in Oakland and San José since 2006. RouteSmart provides vehicle route optimization software technology for many communities and services, including solid waste collection. Comprised of the leading geospatial technologies from Esri and NAVTEQ, RouteSmart software integrates with client-side systems to form a complete routing solution for meeting the demanding operational needs of solid waste collection fleets. Unlike other vehicle route planning software that can only manage one category of waste or recycling collection, RouteSmart for ArcGIS offers powerful optimization capabilities for residential and commercial service routing all in one seamless environment. CWS will utilize route optimization from RouteSmart to balance all aspects of collection routing, including coordination of residential service collection days and optimizing multiple days of service for different types of customers.

CWS will perform a detailed routing analysis using time and motion models, along with extensive, practical field experience, to ascertain the most efficient collection vehicle movements for recyclables. Routes will be carefully designed so that collection drivers can optimize time in the field, personal safety, and responsiveness to customer needs and concerns.

CWS considers the following factors in designing collection routing systems:

- Urban and suburban street design
- Customer density and street geometry
- Early morning and peak traffic patterns
- Projected amounts of recyclables per collection vehicle for that particular route location
- Distance and time to the processing and disposal facilities

CWS will additionally consider the following special operational conditions:

- One-way streets
- Narrow alley conditions
- Containers placed in hidden or obscured locations
- Automobile parking in business lots or along downtown streets
- Noise Restrictions
- Central Business District and Transit Mall Zone Requirements

CWS will use:

- Highly experienced and committed CWS dispatchers, routing supervisors and drivers, each of whom brings extensive street-by-street knowledge and first-person understanding of routes and customers
- Pre-assigned routes designed to optimize drivers' time in the field, minimizing overtime costs
- Stringent safety training and monitoring, including eliminating unnecessary driver traversing, left hand turns, and backups wherever possible

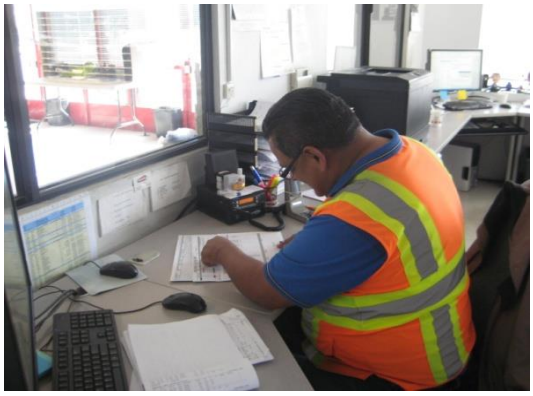
The number of stops per route depends upon the location of routes within the City, street geometry, car parking, geography, and the distance to the processing or disposal facility. Collection methods may be different at each stop, particularly on routes that service small businesses, city buildings, and multi-family complexes, considerations that will be factored into each day's route and customer service load. In developing and modifying routes and collection schedules, CWS will also take into account the City's street sweeping schedule, street closures for City-sanctioned events, road repairs, and City-approved activities and events for which CWS will provide waste and recyclables management services.

Within five (5) work days of receipt of a request from the City, CWS will provide the City with maps precisely defining vehicle collection and travel routes, together with the days and the times at which collection activities will occur on each route. Every three (3) years, CWS will perform a comprehensive audit of SFD, and MFD customer routes and submit to the City a written report on the results. These audits will help to ensure that the routes remain current through changes in customer count, changes in subscription to service by MFD, City, and commercial customers, changes in traffic patterns and other conditions which may shift over time. The report to the City will describe testing protocols, and detail the route audit findings along with recommendations, if any, on how CWS will modify the current routing system to correct any issues noted during the audit. Supervisors and drivers will be trained on these routes during the thirty days prior to September 1, 2017. CWS's ambition is to accept adopt the same fine professional drivers from the existing contractor and members of Teamsters Local 350.

The CWS routing team will provide monthly updates to the CWS/City transition team.

Operational Connectivity for Route Operations

All residential collections and street sweeping will occur between the hours of 6 AM and 6 PM, Monday through Friday. Commercial collection will occur in expanded hours Monday through Saturday and as scheduled on Sunday. CWS plans for on-route and on-board video recording and transmission to broaden the involvement of other colleagues and quicken our customer response, as thoughtful and quick responses result in higher customer satisfaction levels.



21 Operations Coordination

Collection drivers report operational issues to a central dispatcher; who in turn provide instruction or issue an electronic work order to customer service and the appropriate collection supervisor. Should immediate action be required, the crewmember can connect with the supervisor directly. All supervisors can monitor communications and communicate directly with collection personnel. All vehicles and personnel will be assigned a mobile communications device and an on-board computer. On route GPS systems allow communication between supervisors, crews, dispatch, customer service, maintenance, and customer outreach personnel on a real-time basis.

CWS's integration of collecting and processing activities, complemented by its successful operational connectivity program (OC), enable routing changes to be suggested by our MRF management team, which plays an important role in evaluating the quality and preservation of collected materials quality. Recommendations from the MRF management team can enhance material collection, as well as, how the material is tipped at the MRF. OC enhances communication and helps customer-collection continuum improve diversion and efficiency performance.

22 Mobile Route Audit and Support

In concert with its OC initiatives, CWS utilizes Convoy systems. Convoy is a technology leader for integrated fleet management solutions, and is field proven to increase customer density, reduce costs, and confirm service performance and increase revenue with the only fully integrated Waste-specific fleet management solution supporting all major back-office systems. Convoy provides in-vehicle integrated GPS and route tracking systems, with connectivity to an in-office technology suite. The Convoy software and hardware package allows users to:

- Expand the functionality and benefits of local employees and existing back-office software (dispatch, billing, accounting, etc.)
- Download and upload information between office and vehicles – automatically through audio, video, and text message communication
- Improve outbound planning and route profitability
- Reduce paperwork, phone wait times, and communication costs
- Deliver real-time status updates to customers

- Receive comprehensive reports covering daily driver and vehicle activities
- Identify potential fuel and vehicle maintenance savings
- Track the fleet in real-time or view routes followed on previous days with Linxup GPS Technology
- Enable informed fleet and operations decisions with Convoy Technologies powerful and flexible reporting capabilities

Convoy Technologies provides CWS resources to track the locations of collection stops, automatically associate collection stops with customers, and observe it all with system-managed time stamps. Drivers can easily log the precise activities that account for the full day, as they happen, with the easy-to-use driver display terminal. The system will allow CWS to output end-of-day paperless driver logs that immediately update real route history, by day, week and month for every customer and every route. All daily operations are managed cleanly from inside the back-office system. Routes are pushed to vehicles using dispatch screens and at the end of day routes are updated automatically.

2.A.5. Collection Methodology

Collection methodology for customers is intended to efficiently collect recyclables with as few driver steps and truck movements as possible, while ensuring utmost employee safety, efficiency, and limited spillage.

CWS will collect the content from solid waste carts at single-family residences once per week in the City of Milpitas between the hours of 6:00 AM and 6:00 PM. No collection services will begin in such neighborhoods until 6:00 AM, and collection service will cease by 6:00 PM. CWS collection trucks will be dispatched in an orderly manner from the CWS Berryessa facility at 1120 Berryessa Road San José between 5:00AM and 5:30AM Monday through Friday. Collection trucks arriving on-routes before 6:00AM will park and await that 6:00AM unanimous starting time before beginning collection service.

For residential and many commercial services CWS will use the McNeilus Front Loader with a 40 cubic yard capacity and Curotto-Can attachment bin, CWS's cart collection method is as follows:

- CWS driver arrives at a single family, multi-family residence or commercial address served by carts
- Driver approaches cart and begins the lifting process from curb to truck, or when required, driver will exit the vehicle, unlock/open a gate, and position the cart/roll-off for lifting
- Once the cart is properly and safely positioned for lifting, the CWS driver lifts the container automatically, and deposits the contents in the container into the Curotto-Can. Once filled the Curotto-Can is lifted and emptied into the body of the truck
- CWS driver slowly lowers the cart back to its standing position. When the cart has been properly emptied, the driver either leaves the location or exits the vehicle to physically move the cart back into its proper area and, if applicable, closes and relocks the gate
- In all collections, the CWS driver will clean up any litter resulting from the collection activity. The CWS driver must factor in different collection methods at each stop to accommodate various service requirements
- In areas where a different style of truck is used (rear-load or side-load trucks) the emptying of the cart or bin is directly into the truck body.
- For commercial bin customers the collection driver will properly position the truck to address, secure and then lift the bin and empty its contents into the body of the truck.

- For commercial and industrial customers, roll-off box and compactor customers the truck modality is a roll-off truck. The collection driver will properly position the truck to address, secure and then lift the container onto the truck. CWS will provide both pick-up-exchange and pick-up and return services, as is specified by the customer.

For residential and small business routes, special collection conditions such as nearby parked cars, narrow public parking areas and alleyways may require modified methodologies to efficiently pick up containers. For some stops, the driver may be required to conduct a 3-point turn within a public parking area to maneuver the truck for the best position on the egress side of the street.

In cases of missed collection notifications that are received by12:00 PM on a collection day, CWS will return to the address and collect missed carts or bins before leaving the service area for the day. For complaints related to missed collections received after 12:00 PM on a collection day, CWS will return the following workday to resolve the complaint. Any such calls will be resolved within twenty-four (24) hours, weekends and Holidays excluded. If customers issue complaints or service requests related to carts or bins for new customers, or repair, replacement or exchange of carts or bins for existing customers, the orders will be fulfilled the following collection day.

Several areas of the City pose "hard–to-serve" challenges, including narrow streets in the older downtown Main Street area and some dirt roads in the hills to the east. CWS will address these challenges during the routing review to make sure appropriate vehicles, time, and equipment are assigned. This can even include smaller collection containers to better suit the residents' available space for storage of such, or alternate set-out locations (e.g., combined on a cul de sac).

CWS feels strongly that for optimal and most efficient collection, greatest diversion, and greatest customer confidence, it is in the best interest of both the City and CWS that all materials are collected on the scheduled collection day. Accordingly, missed collections will normally be collected as reported above, on the scheduled or following day, regardless of the reason that the collection was missed. However, in the event a service address reports missed residential recycling collections more than two (2) times in any consecutive two (2) month period, CWS will work closely with the City to determine an appropriate resolution.

2.A.6. Labor, Management, and Coordination

CWS will add new staff to meet the new franchise requirements. New employees will include the following:

- Truck drivers
- Truck and MRF Mechanics
- MRF sorters
- MRF operators
- Supervisors
- General Manager
- Customer service representatives
- Public Education Staff
- Container delivery and repair staff

CWS anticipates no difficulty in hiring experienced employees from the directed local job market, especially given the opportunity to work with CWS, serve this contract, and develop a good career. CWS

will participate in an employee retention program to retain existing and needed workers. CWS will work with local work retention and job programs, personnel recruiters, International Brotherhood of Teamsters Local 350.

The City and CWS will conduct a "job fair" during which the CWS Human Resource Manager will meet with prospective employees working under the current contract. During the job fair, CWS will provide company information and collect resumes from prospective employees. Knowing that transition to another company can be sensitive, CWS will work to make the experience as smooth and positive as possible for all involved.

CWS is committed to hiring local residents and eliminating unnecessary barriers to employment for these residents. Thus, we will place hiring priority related to this franchise on residents of the Bay Area, including Santa Clara County, and our employment application. CWS has consistently had good relationships with local unions and public organizations for public outreach and employment support, and will utilize its City job fairs and events to reach new potential employees.

CWS believes in customer service and our field teams of managers, supervisors and public education colleagues are on the frontline of customer interaction. CWS's Human Resources Manager will work closely with the City of Milpitas' Human Resources Department to assure a smooth transition to the CWS family for all qualified and interested employees of the outgoing contractor.

2.A.7. Collection Services Operations and Management

CWS has dedicated solid waste, organics, and recycling collection, processing, and product marketing resources for the City of Milpitas. CWS assets providing SFD, MFD, City, Commercial and City Collection for the City of Milpitas will include the following resources:

- Truck corporation yard and office building
- Truck maintenance and tire repair shop
- Truck fueling
- Truck wash
- Collection dispatch office
- Customer service office
- Public education office and public learning center
- Three MRF buildings and office buildings
- Greater than 30 branded collection service and support trucks for operating in the City of Milpitas

The resources that CWS will contribute to serving the City of Milpitas collection operation will be instrumental to providing comprehensive, consistent, and dependable services.

CWS will have multiple personnel dedicated to the management and facilitation of collection services. The basic responsibility and role of the supervisors including the positions of Collection Supervisor and Customer Service Supervisor are to facilitate the most efficient operations in the field along with providing the highest quality customer service and to attain the City's diversion goals.

- Most Efficient Operations: CWS drivers operate safely and productively while accommodating City and customer needs
- Greatest Customer Service: Customers have the optimal collection service type, container and frequency (right-sizing)

- Achieve Diversion Growth Goals: Coordination of appropriate participation, collection, and processing service that assures maximum diversion of solid waste

All CWS employees who earn a supervisor position will have demonstrated great awareness of and proficiency in recycling, and have the expertise to enable colleagues and customers to continuously improve their diversion achievements. These specific service skills complement mandatory safety, labor, vehicle, and container operating proficiency. The responsibility CWS gives to our collection supervisors are described below.

The Collection Supervisor assists the company in meeting its goals and objectives by ensuring all assigned customer accounts within assigned areas are accurately and safely serviced. The Collection Supervisor also performs administrative and supervisory duties related to department business needs and will partner with employees, customers, labor representatives, and other stakeholders to maintain an efficient, safe, and healthful work environment. The collection operations supervisory duties both off-route, at the office, and on-route in the field will include:

- Ensure customer accounts are properly serviced in assigned areas
- Maintain route efficiency by completing routes within management expectations
- Ensure drivers are in compliance with driver DOT, federal, state, local, and company regulations
- Ensure the efficient and safe transport of residential, commercial, and roll off materials
- Identify and establish corrective actions needed to address opportunities related to route and services
- Train and support drivers and helpers in collection activity, vehicle operation, and safety procedures
- Communicate with management regarding customer services and/or employee situations
- Maintain all required records and reports accurately and timely
- Prepare, present, and distribute statistical and timekeeping reports and documents as required by management
- Complete accident investigations and submit appropriate documents and reports as required by management
- Conduct safety observations and prepare documentation in accordance with program requirements
- Conduct and document regular safety meetings with assigned employees
- Monitor driver Vehicle Condition Reports and supervise equipment inspections
- Participate in special projects as needed
- Identify ways to continuously improve and promote exceptional customer service
- Comply with all company safety and operating policies, procedures, plans, and programs while on-route and on-site
- Maintain all company issued property in good working order
- Direct, plan, monitor, and evaluate the work activities of all drivers. Responsibilities include, but are not limited to, training of employees, rewarding and disciplining employees, and addressing and satisfactorily resolving problems and conflicts.
- Act as liaison to customer to determine customer service requirements, including special service needs such as, time constraints, noise issues, space constraints, etc.
- Integrate with all other CWS operations to maximize service, safety, and efficiency

Collection supervisors will receive continual specialized training necessary to provide employee direction and customer assistance as needed for the redesigned collection system.

As described in the collection agreement, CWS will include in its training a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and, (iv) record keeping and emergency procedures. The employees shall be trained in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of prohibited materials; and, (iii) emergency notification and response procedures. Collection vehicle drivers shall inspect Containers before Collection when practical.

If a CWS employee determines that material placed in any Container for Collection is Excluded Waste or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material. CWS will contact the customer to request proper Disposal. If the Generator cannot be reached immediately, the Contractor can tag the set-out appropriately that it includes excluded waste and provide contact information for proper management. CWS will not knowingly Collect Excluded Waste or remove unsafe or poorly containerized Excluded Waste from a Collection Container. If Excluded Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, CWS will notify the appropriate authorities, as described in the collection agreement.

2.B. Recyclables Materials Processing

CWS runs and operates two fully functional facilities just off the 880, and 101 freeways, "right next door" to Milpitas. The Berryessa location has a fleet, dispatch, operations, customer service, fueling and mechanic station. The Timothy location provides billing, additional operations, and a state of the art MRF, both located in San José. These will be the primary recycling facilities for organics and recyclables collected. The designated alliance facilities will be Green Waste Recovery and Zanker Recycling and CWS's Oakland facilities at our 10th Street and Wood Street properties. The CWS operation will have redundant resources and assets to serve the City of Milpitas.

Table 9 shows CWS's MRF locations and capacity.

Table 9 CWS MRF Capacity

MRF Features	1005 Timothy Drive San José CA	1120 Berryessa San José CA	1820 10th Street Oakland, CA	3300 Wood Street Oakland, CA	Total
Design Capacity (TPD)	530	50	400	400	1,380
(TPY)	190,000	100	124,000	124,000	438,100
Current Utilization (TPD)	280	25	100	200	605
(TPY)	73,000	8,000	31,000	52,000	165,000
Operating Permit	Solid Waste Facility CUP	Operating CUP	Recycling Center CUP	Recycling Center No CUP Required	

2.B.1. CWS Timothy Drive MRF

The CWS Timothy Drive facility is a MRF located at 1005 timothy Drive in San José. The facility is approximately11 miles from downtown Milpitas.

Employees at this location separate all types of current San José recycling program. Recyclable material including paper, plastic, aluminum, other metals, glass, and textiles and prepare them for marketing. These operations employ a combination of mechanical processes and human sorting to maximize the recovery of material for remanufacturing. The facility is designed to sort and process residential recyclables collected through residential (i.e., curbside and multi-family) recycling programs and commercial recyclables.

23 Sorted Material Bales

CWS expects to recover and divert the following products from the MRF

- Newspaper (6-8)
- Telephone books (#1)
- Mixed paper (1)
- NCR computer paper
- Carbon computer paper
- Laser computer paper
- Laser-free computer paper
- White ledger paper
- Colored ledger paper
- Card stock
- Boxboard furnish
- Coated white overruns
- News scrap
- Glass bottles and jars in three colors
- Aluminum cans
- Aluminum foil
- Non-ferrous scrap
- Tin, steel, bi-metal cans
- Ferrous scrap
- PET clear
- PET colored
- HDPE natural
- HDPE colored
- Mixed plastics 3-7
- Injection molded HDPE
- LDPE natural film
- LLDPE films
- HDPE films
- Specialty polymers
- Wood
- Textiles
- Lead acid batteries
- Tires
- Compressed gas cylinders
- Carpet and carpet pads
- Integrated circuit boards
- Inerts (glass fines for ADC, asphalt,
- concrete, dirt, rock, brick)
- White goods and small appliances
- E-waste including CRTs and integrated circuit boards
- Used motor oil
- Used motor oil filters

The Timothy MRF is zoned HI Heavy Industry. The facility sits on greater approximately 2 acres featuring 78,000 sq. ft. of property and 58,000 sq. ft. in four industrial building with office space in two if the buildings small office. The maximum daily capacity for the facility is 530 tons. .

Facility Schedule and Labor

CWS will deliver Milpitas residential recyclable materials Monday through Saturday, and commercial and industrial materials Monday through Sunday and periodically on holidays for special circumstances, such as emergencies and servicing of City events. Street sweeping for Scheduled Service will occur Monday through Friday and for Unscheduled Service will occur when determined by the terns of the Agreement. The facility will be open for receiving and processing materials twenty four hours per day (24-hours per) day, seven days per week (7-days per week). The facility has scheduled closing for three holidays during each year: Thanksgiving, Christmas and New Year's Day, although may elect work those days. The facility will have ample permit, operating and storage capacity, to support existing and proposed Milpitas tons.

Materials receiving and processing related activities will generally be conducted in one work shift. From time to time it may be necessary to extend shift operations. In such instances, a work schedule and staffing will be defined according to need and required duration. The Plant Manager will determine overtime and supplemental shift construction. Work shift staffing, along with primary job responsibilities, are shown in Table 10.

Table 10 Staffing at Timothy Drive MRF

Title	Employees	Primary Job Responsibilities
Plant Manager	1	Oversee all plant activities and personnel
Shift Supervisor	2	Supervise facility operations
Scalehouse Operator	1	Conducts scale house operations
Equipment Operator	9	Operates one or more types of lifts or loader
Loader Operator		Operate the processing equipment
Anaerobic Digester Operator		Operate Digester system
Sorters	23	Sort materials on the processing conveyors
Maintenance and Preventive Maintenance	4	Repairs, and replaces equipment and parts including regular preventive maintenance
Utility/Yard Maintenance		Keep premises, streets and neighboring business clear of litter
Sweeper Operator/Maintainer		Keep facility clean of litter
Total MRF Personnel	40	

CWS's Timothy MRF operates a 10 hour per day first shift and may initiate and operate a second or third shift during other hours. Extended or additional shifts and work days may occasionally be required to handle receipt of greater amounts of material as a result of increased recycling tonnages, programmed and seasonal growth. Other times overtime work is required for processing materials to compensate for time when the facility may be undergoing scheduled maintenance or capital improvement projects. The Plant Manager determines the use of overtime based on operating conditions and inbound materials.

The opportunity for an employee to work overtime is a feature defined by seniority and job classification and governed by our Collective Bargaining Agreements.

Facility Operations

Residential and commercial single stream recyclables processing facilities must be able to sort commingled materials into individual components for these materials to be manufactured into new products.

CWS conducts ongoing equipment maintenance and performance upgrades to improve efficiency and diversion. Equipment upgrades at the Timothy MRF that are identified have been designed to accomplish the following:

- Operate and maintain equipment for safest performance
- Produce the best quality product demanded by buyers
- Maximize operating capacity and flexibility that enables operational agility
- Process at levels of greatest efficiency and economies of scale
- Educate employees at all levels to operate with excellence
- Minimize the handling of non-recyclable, contaminated materials
- Prevent cross- and re-contamination of recyclable materials
- Process materials in a sequence that will maximize the quality of the recovered materials
- Maintain the appropriate burden depth and speed on conveyor lines and screens to ensure quality sorting, while operating the processing system with an adequate number of workers
- Achieve scalability and flexibility so that operations can be modified to keep pace with any tonnage and materials changes that develop from the waste stream

24 Manual Sorting Line

Material Receipt and Management – Collection trucks delivering material to the Facility will enter from Timothy Drive. The trucks will proceed to the inbound scaling pad. CWS scale office and personnel operate state of the art enterprise level scale software programs for weight data management. The CWS scale office, personnel and software identify, record and report the collection truck information, time, date, material origin, route number and material weight.

After weighing in and recording of the truck, route and material type and origin information, gross truck weight, the truck is directed to proceed to the Receiving area. When safe and directed by a traffic management spotter ("spotter"), the truck will exit the receiving area and proceed to the out-bound scale where final load weight data and driver report is provided. Here the tare weight of the empty truck will be recorded and the net weight of the truck's content determined. After the process at the out-bound scale is complete, the truck will then exit the Facility onto Yard Court then proceed back to Timothy Drive and return to the CWS truck corporation yard, maintenance and driver support office at 1120 Berryessa Drive in San José. Collection management, supervision and customer service is located at the CWS Berryessa facility. The CWS Timothy MRF and Berryessa corporation yards are on adjoining properties and the drive access between the two property entrances is less than 5 minutes.

Vehicle queuing will proceed in a manner to allow for efficient and safe move-in and move-out of the Timothy Facility. Loads that contain unacceptable materials (hazardous or otherwise) will be noted by the driver, loader operator and sorting personnel and the origin of the vehicle will be noted. Vehicle unloading time should be 2-5 minutes including safety checks by collection drivers CWS traffic directors will provide traffic control to the collection vehicles in addition to examining each load for compliance with state mandated load checking procedures to estimate the approximate percentage of contaminants and unacceptable materials received from customers.

Residential and commercial trucks containing single stream recyclable material will enter the building using one of the doors located toward the east side of the Receiving area which is near the single-stream recycling equipment. Push walls will be designed and installed to protect recycling equipment and the building and to assist in the management of materials. Front end loaders will push and manage the single stream material to provide a continuous stock pile of material for in-feed to the system.

Load Screening

CWS has extensive experience with addressing hazardous and prohibited wastes detected in recyclable materials.

Tipping floor staff is trained to evaluate loads as they are brought in and deposited on the tipping floor. Additionally, management is on the tipping floor on a regular basis. If an unacceptably bad load, or portion thereof, is suspected, the loader operator is directed to immediately notify a supervisor. Personnel on the pre-sort line remove any hazardous or prohibited wastes remaining in the recyclables.

Load Classification and Assignment

Loads are visually inspected either before or after unloading. CWS personnel observe the load for indications of prohibited materials that are not on the City of Milpitas' recyclable program list, including garbage and hazardous materials. Either the loader operator or a spotter conducts this assessment. Workers must exercise caution and use safety precautions when observing loads from the rear of the vehicle. If necessary, the driver will be instructed to wait before discharging the load and the load will be discharged in a more appropriate area of the facility for further processing and recycling.

Sorting Process

CWS strives to process material in the most effective and efficient manner by segregating final marketable products, MSW, and hazardous waste. Material is typically processed on a first-in, first-out basis so that specific material is not on site longer than 48 hours.

The materials stockpile will average between 2 and -15 feet in height and CWS loader equipment personnel will selectively load material from stockpiles to processing equipment. Loads delivered by vehicles that contain certain materials of like kind will be identified and may be isolated and processed separately. The separate processing of some materials is done to increase productivity and/or preserve product quality. Pre-sorting of recyclable materials separates material by size and then enables larger material to be identified and removed for recovery or disposal.

25 Cardboard and Paper Screening

The single stream recyclable material processing system at the Timothy Facility has capacity to process approximately 85,000 tons per year during a single shift, five days per week. CWS has the capacity to process more material by increasing either the number of employees, work shifts or days per week operation. The system will also process some selected recyclable materials from commercial sources.

The system includes an engineered series of equipment components that separate fiber, film plastic and containers. The system includes a sophisticated container sorting system that uses computerized optical technology to separate a mixture of high value containers into individual clean material grades. Enhanced technology design and operation enable CWS to exceed all prior industry standards for diversion and recycling of this material stream.

The series of engineer equipment upgrades included in the processing system will include the following:

Bollegraaf Drumfeeder Material Metering Bunker: The drumfeeder material metering bunker consists of a large horizontal rotating drum and belt encased in a steel bunker. Material is loaded into the bunker with an excavator. The material that is loaded into the bunker is conveyed toward the rotating drum. As the material reaches that drum, steel teeth and cleats roll the material up and over the drum and liberating material from bags and evenly distributing it onto the infeed conveyor. The evenly distributed materials improve presentation to individuals, efficiency and work place safety.

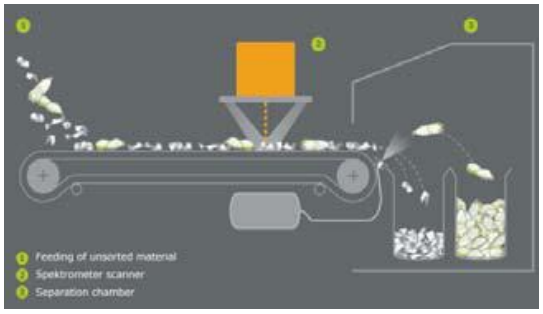
The even distribution of material on the conveyor facilitates manual presorting of film bags, oversized metals, plastics and trash present in the waste stream on the presort line and helps individuals on that presort line to remove and recover film, large metals, plastics and dispose of remaining garbage. A series of overhead air suction hoods improve the logistics of removing film plastics from the waste stream. Any remaining oversized material on the belt is removed and stored in bunkers for subsequent processing. Any material left of the belt proceeds to the OCC cardboard Screen.

LUBO Triple Deck OCC star screens: The OCC cardboard separator is 20-30 foot long screen consisting of a horizontal shaft deck whereby steel shafts with large rubber star discs rotate forward and propel the large, rigid OCC over a fast, forward moving bouncing surface. Large openings in between the stars allow the smaller and less rigid newspaper, mixed paper and mixed rigid containers such as glass, water, soda and soap bottles to fall through the openings resulting in a clean, high quality cardboard floating over the discs and via a manual quality control station into a bunker and baler for sale to market.

26 Star Screen

LUBO Double ONP star screens: The Double ONP newspaper screens are similar in design to the OCC separator, but instead recover Newspaper and large dry mixed fibers. The two stacked screens consist of two 20+ feet long by 10 foot wide screens. A horizontal shaft deck with steel shafts and 9 inch diameter rubber star discs rotate forward and propel the flexible but flat Newspaper up a 40-50 degree inclined surface by hundreds of rigid rubbers stars. The material is propelled up and forward over a fast, forward moving bouncing surface with openings to remove smaller items. The combination of an inclined angle, traction provided by the stars and the bouncing motion effectively separates the newspaper from the smaller mixed paper and ballistic containers that fall backwards off the screen as they bounce and lose traction. The larger newspaper rolls over the discs and the smaller mixed paper and rigid containers roll back and fall through the discs and travel to a second deck for an identical screening environment but with slightly smaller sized disc openings. The paper that rolls off as overs of that discs becomes a secondary newspaper stream. The smaller mixed paper and containers travel to the next screen.

LUBO Mixed Paper / Rigid Container Separator: The Mixed Paper / Rigid container separator functions similarly with very small spaces and many rubber star discs rotating on an axle. A similar action to the OCC and ONP screens drives the remaining mixed paper over the screen while the rigid containers tend to bounce and travel backwards due to the steep inclined angle of the screen. The separation results larger clean paper floating over the discs and conveyance for further manual quality control. The separated containers containing small remnants of paper, large bottle caps, etc. proceed to the container separation system. Due to the smaller screening surface, any fines that fall through the screen (mostly broken glass) are conveyed to a small particle glass cleanup system.



27 Optical Sorting

TITECH Optical Sorting Units: TITECH's innovative and advancing sorting technology fully automates the separation of recyclable materials from a mixture of material. The technology complements CWS's staff. The input stream is analyzed by a computerized scanning sensor that is installed over a conveyor belt. Sensors rapidly identify materials, shapes, textures and colors as well as the object position needed for precise recovery and attaining a high purity of the desired commodity. These optical sorters are used to remove cardboard, paper, film plastics, rigid plastics, PET, HDPE and 3-7 plastic containers (including California Redemption Value material). A separate, single unit is also present to capture the wood to complement skilled manual sorting. The TITECH component will recognize and eject an item that is as small as ½ inch in size.

The combination of state of the art optical sorting technologies, mechanical screening techniques and the implementation of strategic manual quality control operations allows for any waste stream to be effectively mined of any valuable commodity without less impact on individuals and lower maintenance costs. The role of individuals remains essential and is more focused on advanced aspects of product quality control and equipment adjustment of the sophisticated equipment.

The final components on the SSRR processing system is the container recovery system. Although the container recovery system is integrated in the SSRR processing system, it deserves special mention because it processes high diversion value, mixed materials (i.e. containers, three dimensional and rolling fractions) that emigrate from the SSFR, MFCMM and BDCMM processing systems.

The first process in the container system is a high power magnet to recover larger ferrous metals. Remaining material on the sorting line passes through a TITECH Optical PET Sorter where all the #1 PET plastics are identified and ejected.

The ejected PET plastic is inspected by an individual who will monitor and control production quality and remove remaining available contaminants. Contaminants are returned to the mixed plastics stream and continue to a second TITECH optical sorter to eject the natural and color #2 HDPE. The ejected HDPE is conveyed toward CWS staff that sort natural HDPE from the mixed color HDPE and inspect final product quality. Both finished HDPE streams are conveyed to their respective bunkers for baling and contaminants return to the mixed plastics line.

The remaining 3-7 plastic and similar sized materials are sent to a third TITECH optical DV sorter that will separate it into two separate commodities, Aseptic packaging and all remaining 3-7 mixed plastics. The ejected aseptic packaging and 3-7 plastics can be separated as a clean commodity and will not require further quality control. Both are conveyed to their respective storage bunkers for baling. The remaining product pass under a secondary magnet to recover the last bit of ferrous to be combined with the previously ejected ferrous. The entire remaining product is now conveyed to a final sorting line where all commodities can be inspected and finished by CWS personnel.

Near the end of the container recovery module, a final separation of aluminum is done by the Eddy Current. The Eddy current ejects the non-ferrous metals and CRV aluminum cans. A final quality control individual will inspect and hand sort the aluminum for California Redemption Value (CRV) from the bimetal cans and aluminum foil plates to assure the highest possible commodity values. Any remaining materials on the sorting line may now be returned to another appropriate system for reprocessing and maximum diversion through recycling.

28 Product Bale Inspection

Materials identified, segregated and separated will be stored in bunkers, and await either direct load-out or baling and transport to local, regional, and/or global markets. These materials include:

- Product - for sale to global markets
- Organic material—to Processor
- CWS's Residue from the Timothy MRF (and Berryessa Facility) are delivered to the Landfill
- Hazardous or otherwise unacceptable material – to specialized processors

The load out of recyclable discards for additional specialty sorting and residue from the Timothy MRF occurs by loose or bale loadout. Recyclable materials are either baled or loose loaded and trucked to market.

2.B.2. Berryessa Facility

CWS's Berryessa Road Corporation Yard will serve to process large and bulky items collected from single-family, multi-family, and businesses within the City of Milpitas. CWS has successfully provided such large and bulky item collection services for approximately 170,000 residences in the City of San José since 2007. Due to the success of the program the City of San José turned over the billing of these bulky item pickup services to CWS as well in 2011. CWS will divide those large and bulky items into different segments of recyclable materials that include:

- Mattresses
- Furniture
- Universal Waste – televisions, monitors, computers, microwave ovens
- Appliances – residential refrigerators, freezers, oven/stoves, washers/dryers
- Tires

At the Berryessa facility the aforementioned materials will be delivered by both collection trucks and roll-off trucks. The trucks bearing materials of large and bulky items, will enter the Berryessa facility at the Berryessa Road gate entrance, which is optimally located at the intersection of Berryessa Road and Commercial Road in San José. This entrance with its own dedicated traffic light, and large entrance allows CWS to operate large vehicles, and transport large and numerous items to the Corporation Yard in a quick, safe, and efficient process. The Berryessa facility is approximately 6 miles from the Milpitas City Hall and is easily accessible from Highway 101, 680, 880, and by ways of commercial boulevards.

After entering the Berryessa facility trucks will be identified, weighed and accounted at the scale office then proceed into the facility building to unload the material. Once inside the yard, items, and building materials are safely unloaded and inspected for contamination then placed in assigned areas and staged for processing.

Markets for those diverted materials include the following:

- Goodwill Services – mattress recycling and clothing
- Zanker Road Resource Management – furniture and untreated wood products
- ESC Refining – universal waste products such as televisions, computers and printers

Note, the CWS Berryessa facility is also the facility where CWS's collection will domicile and deliver used motor oil/filters and used cooking oil. CWS and our Berryessa facility has handling such materials for the City of San José since 2007; CWS has the resources to expand service to include the City of Milpitas.

2.B.3. CWS's contractor GreenWaste Recovery, Inc. and Zanker Road Resource Management

CWS will continue and expand its ongoing work with GreenWaste Recovery and Zanker Road Resources Management (GWR/Zanker), and it will receive and process a variety of materials that CWS collects within the City of Milpitas. Processing by GWR/Zanker will be instrumental to helping CWS achieve its diversion goals for the City of Milpitas. Those material streams include the following:

- Organic materials consisting of green yard and food scrap materials
- Construction and demotion debris
- Temporary Debris Bin Service

CWS will directly deliver from our collection routes those material streams to GWR/Zanker.

GWR/Zanker companies are an integrated solid waste and recycling firm with a long, successful history in San José Santa Clara County.

CWS is also able to enhance its offering to the City of Milpitas whereby CWS expands its Berryessa facility to perform additional material stream processing and diversion. In this offering CWS will expand its capacity to receive and process an additional opportunity to increase diversion by requesting that CWS expand its Berryessa MRF services and include the following services:

- Organic materials consisting of green yard and food scrap materials
- Construction and demotion debris
- Temporary Debris Bin Service

Please see Section 4.A.2 in the Environmental Considerations content for more about this offering.

2.B.4. California Waste Solutions Common Facilities Best Practices

CWS performs common practices at each of its MRF to ensure safe, environmentally responsible, proper reporting and efficient operations. These practices will continue to be part of the standard operating procedures at each facility servicing the city of Milpitas. These common practices include:

End of day placement

Unprocessed materials that have not been transported to the pre-sort line remain on the tip floor overnight. The following morning, unprocessed materials are moved from the back of the tipping floor area to the front of the tipping floor area, to ensure that they are processed in a timely fashion (the "front" of the tipping area is defined as the area near the pit conveyers and the "back" is defined as the area towards the loading dock). A concerted effort is made to clear all processing lines belts of materials by the end of the shift. All recyclables materials/residual wastes received during an operating day shall be removed from the site within 48 hours of arrival.

Hazardous and Other Prohibited Waste

During the sorting process, any potentially hazardous or other prohibited wastes will be removed from incoming materials and placed in the designated staging area. As necessary, or at the end of each day's shift, collected hazardous or prohibited wastes will be moved to the designated outside storage area. Hazardous wastes include those materials deemed to be hazardous pursuant to federal, state, or local requirements. Typical characteristics of hazardous wastes include toxicity, corrosivity, flammability, and reactivity. Examples may include: universal wastes, materials that emit radiation, lead acid batteries, cathode ray tubes, compressed gas containers, used oil and filters, solvents, paints, and pesticides. Containers that meet the regulatory definition of "empty" are not considered hazardous. Hazardous materials are stored, recorded, reported and dispensed as defined by regulatory law that maximizes solid waste diversion.

The determination of a hazardous waste is based on visual observations of containers and labels. If suspicious odors or reactions are observed, personnel will utilize caution when investigating the material and follow its hazardous waste protocol.

Medical Wastes

Prohibited medical waste includes materials deemed as regulated medical waste and certain non-regulated wastes. Non-regulated medical wastes can include sharps, needles, and other items from sources exempt from regulation such as households. Regulated medical waste could include biohazardous or infectious wastes from the treatment of humans or animals, and materials used in research or testing that contain body fluids or that display temporary radiation.

Solid Wastes

Any prohibited municipal solid waste detected in the incoming material, either at the tipping area on the presort line, will be removed. Rejected materials are placed either into a storage container or designated bunker. Prohibited solid wastes include any putrescible and nonputrescible solid and semisolid waste material, including garbage and rubbish and any other non-program materials that are not accepted into the City-designated recycling cart.

Storage

CWS stores material in a lawful manner and strives to do so as effectively and efficiently as possible.

Incoming Raw Material

Material is processed according to a first-in, first-out (FIFO) model. Permitted storage areas are designated on site maps that have been approved by the City of Milpitas and are a part of the Conditional Use Permit, Fire Permits, and the Hazardous Materials Business Plan. The types of materials received and processed at the facility are not expected to produce significant odors. Potential nuisances are eliminated or minimized by thoroughly cleaning the storage area, prompt loading of wastes into containers or trailers, transferring the wastes to the landfill within forty-eight hours, and implementing litter control programs. A dust suppression system is installed in the unloading area. This system also serves to reduce potential odors and may be used in conjunction with an odor suppressant or neutralizer. The processing area is typically cleaned of potentially odorous material on a nightly basis.

Outgoing Product and Residue

Bales of paper, aluminum and other metals, plastic, textiles, and other recyclable materials are stored awaiting transport to offsite facilities according to any permit or regulatory requirements. Walkways between bales will be at least 44 inches wide.

Outgoing Residue is staged in a designated area of the tipping floor under a canopy, awaiting pickup for hauling to a landfill or alternative disposal facility that meets all environmental regulations.

Hazardous Waste

Any hazardous materials removed from incoming materials will be stored in the designated area. Materials deemed as hazardous waste must be labeled with the contents and accumulation date. Once sufficient quantities are accumulated, CWS will contract with a hauler or a transporter to schedule a removal. Removal records will be retained on site for at least three years.

Facility Maintenance

29 Our beautiful corporation yard

Given the nature of material recovery operations, the presence of certain amounts of debris on the floor is unavoidable. Internal facility maintenance includes keeping the floor and related work areas free of excessive debris with special attention given to keeping walkways clear. At a minimum the floor is swept once at the end of each shift. Beyond this set schedule, additional sweeping may occur when it is determined that the level of debris buildup presents an unsafe situation, in which case operations may be stopped to clear walkways. The floor may also be swept during equipment or other operational downtime.

The facility is equipped with a misting system for dust and odor prevention. Primary maintenance of this system consists of clearing clogs as needed. Spare nozzles are kept on site for immediate repairs. A contractor is brought in as needed to do overall system cleaning and check-up.

CWS utilizes a compact Lay-Mor Sweeper to circulate around the plant at a minimum of once daily, no later than the end of the first shift.

CWS strives to prevent litter from migrating off-site through the following actions:

- Regular sweeping inside plant to prevent outdoor migration
- Concrete berms are installed hold litter inside
- The areas surrounding storm drains are included in the regular sweeping schedule. Also, weather conditions direct additional efforts related to litter around storm drains. During the summer, particularly during windy conditions, drains may be covered with drain covers to protect them from litter. Storm drains are cleaned and inspected on the regular basis required by our storm water industrial permit.

The following actions address outside litter:

- Employees are dedicated to continuously monitoring the yard, external perimeter and neighboring property during daytime operating hours
- Each employee assigned to this responsibility is directed to pick-up any observed litter near the CWS facility
- CWS works in cooperation with the City of Milpitas to report illegal dumping in the neighborhoods.

CWS regularly monitors the condition of the building exterior and has contractors immediately available to paint and repair as needed.

Disruptions

CWS facilities maintain sufficient storage and processing capacity to overcome common disruptions In the event of significant and sustained operational disruptions CWS will transfer materials to another CWS facility

CWS managers work diligently to prevent unscheduled disruption and thoughtfully schedule operating downtime to reduce disruptions. CWS recognizes that significant disruptions in processing activity unfavorably affect the company's operations, marketing, labor relations and customer relations. Such disruptions may also cause recyclables to be reduced in value or lost to contamination. CWS takes the threat of operational disruption very seriously, and has well-tested practices in place to ensure that any possible disruptions are resolved effectively with minimal lost time and productivity.

One of the first tasks of the Plant Manager in evaluating a processing disruption is to determine its cause, potential impacts and probable duration. The criteria by which the impact of the disruption is to be judged are as follows:

- Level of associated risk
- Assessment of needed resources to return to safe, full operation
- Assessment of potential, safe, partial operations
- Available space on the tipping floor for material anticipated during the probable disruption duration
- Available outlets for current and anticipated inventories of processed and unprocessed materials during the disruption

Mitigation of the disruption begins immediately upon its discovery. If the situation presents a hazard or potential permit violation, CWS will take all prudent action. The priority steps for handling materials in a processing disruption are as follows:

- If the disruption is significant but partial and processing throughput will be reduced but not ceased, reschedule processing to allow for longer hours at lower throughput sufficient to process all materials
- If the tipping floor has insufficient storage available, ship unprocessed materials for immediate sale as-is
- If markets are not available for as-is material, transport materials to other CWS processing facilities
- If the alternative processing facility is unable to accept the materials, then bale unprocessed materials for later sorting at the plant

- If the plant is unable to bale materials and the three conditions immediately above are also in effect, ship unprocessed materials as-is for baling at another facility for sale or storage and later sorting.

Emergencies

CWS must be prepared in the event of emergency situations. Potential emergency situations would include, but not necessarily be limited to power outages, natural disasters, fire, and hazardous materials releases. Whenever an imminent or actual emergency situation is indicated, the following steps are taken:

- Designated emergency coordinator conducts an assessment of the nature and extent of the emergency
- If determined necessary, emergency communications are activated to instruct employees to evacuate the facility
- Facility shut-down procedures are initiated if necessary
- Emergency response agencies are notified as appropriate and identified in the CWS Emergency Action Plan (EAP)
- Facility emergency personnel take appropriate measures to resolve the situation or minimize the spread to other parts of the facility
- If storm drains might be impacted by any emergency release, specified personnel seal off the potentially impacted drains. Storm Drain emergency response protocols are contained in the Storm water Pollution Prevention Plan (SWPP)

Prior to commencing operations after an emergency situation, designated management personnel will assess the facility to ascertain that the hazard has been mitigated

Designated management personnel will review the incident and determine if any changes to the emergency procedures are necessary.

The following equipment is available for responding to emergency response situations:

- Fire extinguishers are located throughout the facility
- Emergency exit signage
- Emergency eye wash stations
- First aid kits
- Stormwater spill carts containing absorbent, spill pillows, spill boom, personal protective equipment, baking soda-based absorbent for battery storage area, storm drain cover
- Radios for emergency communication
- Personal protective equipment
- Evacuation notification horns

In addition, loaders and other site equipment can assist with emergency response efforts.

Emergency Training

Training for emergency response situations will be commensurate with an employee's responsibility. Employees will be directed that they are not to respond to any emergency situation where they are not comfortable. Training topics will include:

- Evacuation procedures
- Assessment of response situations
- Facility shutdown procedures
- Use of fire extinguishers
- Spill prevention and response
- Personal protective equipment
- Notification of emergency agencies
- Cleanup and mitigation of spills

Employee training records will be documented and maintained.

Transportation

Traffic driving on the property can generally be classified as: incoming truckloads of unprocessed materials, outgoing truckloads of processed materials, and personnel and visitors vehicles arriving and leaving the facility grounds.

Inbound Truck Traffic

Trucks bringing unprocessed materials to the facility constitute the greatest impact on the facility in terms of traffic, noise and hazard. Once on site, collection trucks proceed to the entrance scale. After being weighed, collection trucks maneuver to the unloading area to discharge materials.

Outbound Truck Traffic

Trucks arriving empty to remove processed materials are usually 18-wheel tractor-trailer combinations or roll-off trucks. These trucks enter the facility and proceed through the scale to the designated area within the site for loading.

Closing and Notifications

If for any reason incoming truck staging is overflowing collection vehicles will be turned away and the gate closed. In the unlikely event that such a closing should occur or appears imminent, CWS will notify all drivers immediately and request that they either keep their trucks the routes or park in the CWS truck yard until the jam is cleared. Trucks will not be allowed to park overnight with full loads and if necessary will be redirected to another CWS MRF.

Passenger and Light Commercial Vehicle Traffic

Personnel, tradesmen and visitors will enter the facility, and remain in designated visitor parking areas unless otherwise directed by CWS (for light commercial vehicles making deliveries, mechanics or other facility support personnel making service visits, etc.).

Hazardous Waste Transport Vehicles

Only authorized haulers are utilized for removal of any recyclable hazardous, universal, and any other wastes from the facility. CWS will be contractually responsible for arranging the disposal of prohibited wastes. CWS will retain documentation on the removal of these wastes.

Permits and License

Table 11 shows the permits held by CWS for operations at the Timothy Dr. MRF and the Berryessa Corporation Yard.

Table 11 CWS Facility Permits

Permit	Timothy (MRF)	Berryessa (Corp Yard)
Conditional Use Permit	CP01-12-108	CP01-058
EPA #	CAL000266187	000319747
California Intergraded Waste Management Board Tire ID #	1487017-01	1487017-01
Hazardous Materials Business Plan, City Of San José, Bureau of Fire Prevention	409845	411648
RWQCB WDID Waste Water Discharge Identification Number	431017556	24310209147
Solid Waste Facility	43-AN-0024	N/A
Bay Area Air Quality	B5717	N/A

Certifications

Facility scales are certified annually by Santa Clara County Department of Agriculture / Weights and Measures according to prescribed standards and methodology.

2.C. Organic Materials Processing, Construction and Demolition materials and Temporary Debris Box Receipt and Processing

CWS proposes to process organics that it collects at a combination of facilities; namely, Zanker Road Landfill, Z-Best Composting, GreenWaste Materials Recovery Facility, and ZeroWaste and a dry anaerobic digestion facility operated by Zero Waste Energy Development Company (ZWEDC).

- Residential yard trimmings (no food) will be transferred through Zanker Road Landfill to Z-Best Composting Facility, where they will be composted in-vessel and open-air systems;
- Residential food scraps with Yard Trimmings (the "include the food" model) will be transferred through the GreenWaste MRF to Z-Best Composting; and,
- Commercial food scraps (such as restaurant waste) will be delivered to and processed at ZWEDC.

2.C.1. Processing Site Information

Z-Best Composting Facility:

- Owner & Operator: Zanker Road Resource Management, Ltd.
- SWFP No.: 43-AA-0015
- CEQA: SCH # 99072048
- Capacity: Up to 1,500 tpd
- Operations Manager Contact Information: John Doyle (408.846.1575)

30 Covered Aerated Piles

Operations—Yard Trimmings only

Z-Best accepts source-separated residential yard trimmings only. The material will be delivered to Zanker Road Landfill in San José where it will be commingled with other materials and transferred to Z-Best. At Z-Best, the following will occur for Yard Trimmings:

1. Windrows – Upon delivery to Z-Best, the material is placed into aerated windrows.
2. Turning and Watering – During the 10-14 week composting period, windrows are monitored for temperature and moisture, turned 1-2 times per week and watered as needed.
3. Final screening – After the composting process, the material is screened to 3/8" minus. The 3/8 minus finished compost is stockpiled and sold as a soil amendment for agricultural and landscape use. The "overs" material is used as mulch, reprocessed and re-composted, or used as ADC.

Residue resulting from processing of Organic Materials:

- Green materials and yard trimmings residue by weight is less than 1%
- Residual waste includes: non-compostable plastic, inorganic material, painted wood, textiles, wax/film coated paper, cardboard.
- Residue will be consolidated and transferred to Monterey regional Waste Management District's Monterey Peninsula Landfill for disposal.
- Contamination levels at the Customer level must be 5% or less for Yard Trimmings in order for the City to experience a residue level of 5% or less for Yard Trimmings

Z-Best Method for Tracking Jurisdictional Tonnage

1. Organic materials from multiple jurisdictions delivered to Zanker Road Landfill or GreenWaste MRF (depending on material)
2. Gross weight and contents of vehicles carrying organic materials recorded at inbound scale
3. Vehicles are weighed again on the outbound scale, which records tare weight of each empty vehicle
4. Tonnage of organic material calculated and maintained in Zanker's database
5. Zanker and GreenWaste scale systems, databases, and operational procedures allocate material and residue percentages to appropriate jurisdiction

- All data is generated in Excel pivot table format
- All scales are registered with the Santa Clara County Department of Weights and Measures and are maintained regularly

31 Z-Best

GreenWaste Materials Recovery Facility

Operations—Residential Food Scraps with Yard Trimmings

Residential Food Scraps with Yard Trimmings will be delivered to the GreenWaste MRF in San José where they will be pre-processed and then commingled with other materials and transferred to Z-Best.

MRF workers will first manually pull out large contaminants or Recyclable Materials and open any bagged materials. The Organic Materials will be screened, the "overs" will be ground for use as mulch, hog fuel, or for a similar purpose, and the "unders" and the Food Scraps will be sent to Z-Best for composting.

Once delivered to Z-Best, the Organic Material goes through the following processes:

- CTI System - material is inserted into a 350-foot long bag that houses a forced aeration system called the CTI System. PVC pipes are introduced into the bag and used to aerate the compostable materials. Retention time in the bags is about three (3) months.

- Final screening - After the composting process, the material is sent though a screening process that removes inorganic fractions of at least 1 inch in size; this residual will be shipped to the designated landfill for disposal. Composted materials smaller than 1 inch are placed in curing piles for several more weeks, final screening takes place and the resulting compost is ready for market.

ZWEDC Dry Fermentation Anaerobic Digestion Processing Facility

- Owner & Operator: Zero Waste Energy Development Company
- Special Use Permit No.: 2012-010971-CI
- Capacity: 90,000 tpy (500 tpd)
- Site Manager Contact Information: John Pena (408.312.8755)
- ZWEDC is permitted to accept 500 tpd of material

Operations—Commercial Organics

1. Organic materials are processed through a mechanical sorting system.

2. Materials considered not suitable for digestion are removed during pre-processing (include: large items, metal, etc.).

3. Organic feedstock is placed into one of 16 air-tight digesters for the anaerobic digestion process; 21-day batch process begins with the introduction of percolate to the organic materials via an overhead piping system. Percolate digests the organic materials and produces biogas.

4. Biogas is collected in a biogas storage dome located on the roof of each digester module. An elevated exterior piping network delivers biogas through to the Combined Heat and Power units. The CHPs condition the biogas to remove water condensate and hydrogen sulfide, and combust the remaining methane-rich gas to produce electricity and heated water. Initially, this electricity supports parasitic needs, and the remainder is placed onto the PG&E distribution grid. The hot water is used to heat percolate in the percolate reservoir and provide process heating to the in-vessel composting tunnel system.

32 San Jose ZWEDC Facility

5. The biogas production cycle finishes after approximately 21 days, and the anaerobic digestion phase is terminated. The remaining material, called digestate, is removed and taken to a Mechanical Preparation area where it is blended with other materials to produce feedstock for the in-vessel composting process.

6. Compost feedstock is placed into one of four in-vessel composting tunnels for 5 days of processing. During this 5-day period, ammonia stripping significantly reduces odor. A treatment system, which includes two acid scrubbers and four biofilters, exhausts all process air.

7. After the 5-day period, compost material is taken outside for a maturation process that lasts approximately 60 days. Finished compost is screened and delivered to area growers as soil amendment.

Residue resulting from processing of organics

Residual waste includes: non-compostable plastic, inorganic material, painted wood, textiles, wax/film coated paper, cardboard. Residue will be consolidated and transferred to Monterey regional Waste Management District's Monterey Peninsula Landfill for disposal.

- Contamination levels at the Customer level must be 10% or less for Organics in order for the City to experience a residue level of 10% or less

ZWEDC Method for Tracking Jurisdictional Tonnage

1. Organic materials from the City of San José's commercial sector and from the City of Palo Alto are also delivered to ZWEDC
2. All vehicles carrying organic materials go to the inbound scale, where the gross weight and contents of each vehicle are recorded
3. Tare weight of empty vehicles recorded on the outbound scale
4. Tonnage of Organic Material is calculated and maintained in the database
    - All data is generated in Excel pivot table

- All scales are registered with the Santa Clara County Department of Weights and Measures and are maintained regularly

5. Any commingled material from jurisdictions outside the City will be allocated and tracked in the scale system and database

2.C.2. Permits and Regulatory Compliance

Z-BEST

- State Water Resources Control Board
  Central Coast RWCQB
  Address: 895 Aerovista Place, Suite 101, San Luis Obispo, CA
  Phone: (805) 549-3147

- Bay Area Air Quality Management District (BAAQMD)
  Gary Lipari
  Air Quality Inspector
  Phone: (415) 749-4979
  Email: blipari@baaqmd.gov

- Department of Food and Agriculture
  Pierre Labossiere
  Special Investigator
  Address: 1220 N Street, Sacramento, CA
  Phone: (510) 715-6399
  Email: plabossi@cdfa.ca.gov

- Santa Clara County Department of Environmental Health
  Jaji Murage
  Registered Environmental Health Specialist
  Solid Waste Programs
  Address: 1555 Berger Drive, Suite 300, San José, CA
  Phone: (408) 918-3405

- Santa Clara County Department of Environmental Health
  Ray Maiden
  Hazardous Materials Specialist II
  Hazardous Materials Compliance Division
  Address: 1555 Berger Drive, Suite 300, San José, CA
  Phone: (408) 918-1980

- CAL FIRE Santa Clara – Masten
  Address: 10810 No Name Uno, Gilroy, CA
  Phone: (408) 842-3713

ZWEDC

- City of San José / CALRECYCLE
  Bob Bates
  Environmental Inspector II
  Address: 200 East Santa Clara Street, San José, CA
  Phone: (408) 535-7680

- City of San José Environmental Services
  Jeff Krump
  Environmental Services Specialist
  Address: 200 East Santa Clara Street, San José, CA
  Phone: (408) 975-2617

- Air Resources Board (BAAQMD)
  Brian Lusher
  Senior Air Quality Engineer
  Address: 939 Ellis Street, San Francisco, CA
  Phone: (415) 749-4623

- California Department of Toxic Substances Control
  EPA ID # CAL000388420
  Address: 1001 I Street, PO Box 806, Sacramento, CA
  Phone: (800) 728-6942

- State Water Resources Control Board
  San Francisco Bay RWQCB
  Address: 1515 Clay Street, Suite 1400, Oakland, CA
  Phone: (510) 622-2300

- Santa Clara County Department of Environmental Health
  Hazardous Materials Program
  Address: 1555 Berger Drive, San José, CA
  Phone: (408) 918-3400

2.C.3. Commitment Letter of Processing Capacity

October 21, 2015

City of Milpitas,

California Waste Solutions (CWS) is an ongoing and established customer of our companies, which include Green Waste Recovery, Inc., Zanker Road Resource Management, Ltd., and Zero Waste Energy Development Company.

Our companies have offered CWS service and pricing for processing, diversion and disposal services proposed to the City of Milpitas, in response to the City of Milpitas Request for Proposals for Solid Waste, Recyclables, and Organics Collection, Processing and Disposal Services.

The suite of services our companies offer to CWS includes the following:

- Processing and composting of residential yard waste, single-family yard waste mixed with food scraps and commercial organic materials
- Source separated recyclable construction and demolition materials
- Non-putrescible solid waste from debris boxes, City on-call pickups, and City self-hauled
- Bulky items
- Municipal solid waste

Please contact us if you have questions about these services.

Thank you,

Greg Ryan
General Manager |Zanker Road Resource Management

Frank Weigel
Chief Operating Officer | GreenWaste Recovery, Inc.

1500 Berger Dr., San Jose, CA 95112 • Main (408) 283-4804 • Fax (408) 287-4088 • Toll Free (800) 944-4388

2.C.4. Import Restrictions or Fees

There is a City of San José LEA enforcement fee of $1.08 per ton at GreenWaste, Zanker, and ZWEDC that fluctuates every year. There is currently a $1.40 per ton Cal Recycle fee on all disposal of processing residue; all fees of this type are incorporated into the per-ton tipping price. Cal Recycle and City of San José can impose additional fees at any time.

2.C.5. Transfer Method

Residential yard trimmings will be transferred through Zanker Road Landfill to Z-Best Composting Facility.

Owner & Operator: Zanker Road Resource Management, Ltd.

- SWFP No.: 43-AN-0007
- Capacity: Up to 2,600 tpd
- Operations Manager Contact Information: Scott Beall (408.263.2384)

33 Zanker Road Landfill

Permits/Regulatory Agencies

- State Water Resources Control Board
  - San Francisco RWCQB
  - Address: 1515 Clay St., Suite 1400, Oakland, CA
  - Phone: (510) 622-2300

- Bay Area Air Quality Management District (BAAQMD)
  - Jayendra Patel
  - Air Quality Inspector
  - Phone: (415) 749-4979
  - Email: jpatel@baaqmd.gov

- Department of Food and Agriculture
  - Pierre Labossiere
  - Special Investigator
  - Address: 1220 N Street, Sacramento, CA
  - Phone: (510) 715-6399
  - Email: plabossi@cdfa.ca.gov

- Santa Clara County Department of Environmental Health
  - Jaji Murage
  - Registered Environmental Health Specialist
  - Solid Waste Programs
  - Address: 1555 Berger Drive, Suite 300, San José, CA
  - Phone: (408) 918-3405

- Santa Clara County Department of Environmental Health
  - Ray Maiden
  - Hazardous Materials Specialist II
  - Hazardous Materials Compliance Division
  - Address: 1555 Berger Drive, Suite 300, San José, CA
  - Phone: (408) 918-1980

- San José Fire Dept. Station 25
  - Address: 1525 Wilson Way, Alviso, CA
  - Phone: (408) 794-7000

Residential food scraps with yard trimmings will be transferred through GreenWaste MRF to Z-Best

GreenWaste Recovery MRF Permits/Regulatory Agencies:

- Cal Recycle
  - Kevin Webb
  - Used Oil Collection
  - Hazardous Materials Compliance Division
  - Address: PO Box 4025, Sacramento
  - Phone: (916) 341-6172

- CA Dept. of Toxic Substances Control
  - Edward Doty
  - Address: 700 Heinz Ave., Berkeley, CA
  - Phone: (408) 794-7000

- Air Resources Board
  - Sharon Gee
  - Air Quality Inspector
  - 939 Ellis St., SF, CA
  - 415-771-6000

- SJ Environmental Services – Stormwater
  - Bahar Ghofraniha
  - 200 East Santa Clara St., San José
  - 408-793-5343

- SJ Environmental Svcs – Sanitary Sewer
  - Sharon Terwilliger
  - Environmental Inspector
  - 200 East Santa Clara St., San José
  - 408-793-5376

- Santa Clara County Dept of Environmental Health
  - Joanne Tracey
  - Hazardous Materials Specialist II
  - 1555 Berger Drive, San José
  - 408-918-3374

- SJ Fire Dept. – Hazardous Materials Program
  - Michael Murtiff
  - Program Manager
  - 170 W. San Carlos St., San José
  - 408-277-8774

2.D. Residential On-Call Bulky Item Clean-Up Events

CWS proposes a pay-as-you-throw system of on-call bulky item collections. This system would put the cost of collecting bulky items on the service users rather than on all rate payers, while resulting in a lower price overall due to a more efficient, equitable, and cost-effective price structure. Residents only pay for what they use, they can buy as much service as they need, and everyone will pay less overall than an allotment system.

2.D.1. System features and benefits

- Convenient on-call service can be arranged by telephone or online
- Pick-ups available Monday through Friday
- No limit on service—schedule as few or as many collections as needed
- Price is charged per item collected
- Service is pre-paid with a credit card and Paypal
- CWS triages collected items for maximum solid waste diversion
- There is no fixed cost per household or business, and the result is a lower rate

2.D.2. C&D and Bulky Item Processing

Some residues from sorting bulky collection items will be transferred to the Zanker Road Landfill (ZRL) for processing by that facility. The permits and regulatory agencies for the processing facility are the same as for the Zanker Road Landfill; see information above in Organic Material Processing Facility section.

Zanker Materials Processing Facility (ZMPF)

- Owner & Operator: Zanker Road Resource Management, Ltd.
- SWFP No.: 43-AN-0001
- Capacity: Up to 1,800 tpd
- Operations Manager Contact Information: Scott Beall (408.263.2384)

The ZMPF includes:

- Sheetrock Processing Area,
- Soils Processing Area,
- Mixed Construction Wastes Recycling

The ZRL includes:

- Demolition Debris Recycling,
- Asphalt Shingle Processing,
- Concrete Recycling,
- Wood Waste/Brush Recycling.

Contamination levels at the Customer level must be 50% or less for Organics in order for the City to experience a diversion rate of 50%.

Common contaminants include:

- Insulation;
- Carpet;
- Furniture;
- Painted wood
- Ceiling tile;
- Dirty film plastics;
- Plastic tarps;
- Soiled buckets and other containers.

Zanker estimates that it recovers 90 percent of the tons that enter its facilities.

2.E. Public Outreach

34 Customer Outreach

The public outreach program will have appropriate and maximum recycling and resource conservation as Milpitas Program core values. Overall, the program will be informed by and take advantage of the rich cultural and environmental consciousness of residents. Individualized information will be provided proactively and on demand to encourage good waste diversion habits, and link recycling and waste diversion to broader environmental and civic goals.

California has the recycling goal of realizing a 75% reduction in disposal by the year 2020. Milpitas reports to currently be at 70% reduction. To assist Milpitas in reaching 75%, CWS will lead, develop and/or implement various activities to promote maximum recycling and composting participation and extend the reach of the transitional and ongoing public education program.

CWS has been consistently successful at encouraging diversion and recycling behaviors in the cities of San José and Oakland through the development and distribution of public education materials and creative communication techniques. CWS will continue this positive track record by partnering with the City of Milpitas to lead development of effective public education and outreach materials.

For cost-effectiveness and to improve efficacy, communications with customers will both include education on various program components and offer opportunities for feedback, enabling CWS to continuously update and refine outreach that is based on collected data.

As required and in consultation with City staff, a Public Education Plan (PEP) will be developed during the transition planning period and annually thereafter, and presented to the City for approval.

2.E.1. Transition Public Outreach

Immediately upon award of the franchise, CWS will begin meeting with City staff to plan and design transition communications, collateral and distribution channels. Multiple, proven communication and education vehicles will be employed to continually inform residents of the Milpitas program and promote

ever improving waste management behavior that leads to diverting as much as possible from landfill disposal.

Recognizing that single family dwellings (SFD) and multi-family dwellings (MFD) residents may have slightly different educational needs, and that those differ from businesses, too, CWS will give focused attention and conduct specific outreach tailored to SFD, MFD, and commercial customers.

Single-Family

CWS will immediately begin working with the City on an introductory direct mail piece to alert residents about the new contractor, change date and any relevant program changes. CWS will advocate that this piece, as with any subsequent collateral, be designed in the most cost-effective, environmentally-responsible, yet eye-catching and creative manner possible. In addition to being a mail piece, this introductory notice will be made available on the CWS website and we will work with the City to make it available on the City's site. We will also explore with the City the possibility of creating a banner or other feature on the City site's home page with a link to this piece or any additional transitional information.

At least thirty (30) days prior to the start of collection activities, CWS will process and mail the introductory direct mail piece, conceptually a postcard that has been designed collaboratively between the City and CWS. Following that, CWS will go public with a visible informational campaign preparing customers for a change in service provider, educating them on various single family residential program components and informing about proper handling of special wastes such as Household Hazardous Wastes, medical wastes, E-waste, etc. It is anticipated that this will essentially be done through public media, including PSAs, editorials, etc.

Milpitas SFD residents will receive or have electronic access to one or more information pieces as well as be provided information through public broadcast and print media. In the interests of cost effectiveness, paper conservation, and to get the most focused customer attention, an all-in-one program piece is recommended that informs of the new services; provides instruction on acceptable materials; educates on "how to" sort materials and do proper container set-out; reports the holiday schedule; delivers CWS contact information; and gives other relevant program information. CWS will work with the city to create a design that could also have its component parts separated into individual flyers as needed or prescribed. An example of the program brochure for our Oakland Recycles Program is provided in Attachment 6.

Further, residents can be consistently and directly reminded of proper materials placement at the point of action when educational labels are featured on collection containers. New cart(s) that are delivered to Milpitas residents will display labels with information on acceptable program materials, other appropriate information and a collector contact number and email address, as agreed to in consultation with City staff.

Finally, CWS will work with City staff to assure that we have the most current and comprehensive media list for distribution of PSAs, print advertising and editorial content that is crafted through consultation with City staff. CWS will also work collaboratively to identify Milpitas spokespeople for broadcast and print distribution based on the type and content of message and desired recipient audience. For example, a message might be delivered in a language other than English, so would require one or more spokespersons fluent in other languages; people or designated communities may pay more attention to messages delivered by neighborhood residents; and other messages may resonate more effectively when delivered by a locally elected official.

Multi-Family

CWS recognizes that a successful MFD education and outreach program must connect with two separate and distinct audiences: the property owners and managers and the tenants.

CWS has experienced MFD outreach and education success when implementation is focused on property owners and/or managers who control on-site waste management handling and can be a conduit for connection to tenants. Immediately upon contract award, CWS will begin to structure and conduct outreach to property managers to discuss strategies to encourage and increase tenant program participation and determine if bin sizes and numbers, or the hauling schedule, should be adjusted to improve participation and account for conditions of the property. On-site assistance for owners/managers from CWS may include as-needed or requested consultation on container placement, signage placement and tenant communications. CWS will seek to enlist managers/owners as recycling and composting "ambassadors" to distribute program and other relevant information as well as organize tenant meetings at which CWS will present.

Immediately upon franchise award, CWS will begin working with City staff to design a direct mail piece to be sent to property owners and/or managers at CWS expense, informing them of the new collector, program changes and applicable laws. It is possible that some MFD owners and managers may not be fully aware that California law mandates recycling for properties with five (5) units or more (AB341), and/or that Milpitas must implement an organic waste recycling program to divert organic waste generated by their residential dwellings (AB1826), CWS will work to design messages and delivery mechanisms that specifically inform of these mandates.

During the transition period, CWS will seek to identify and create a listing of MFD owners and managers to contact about AB 341 and AB 1826 compliance. CWS staff will reach out and offer to consult with property owners and managers to assist with the most practical and effective on-site collection container and signage placements. CWS will also respond to requests for related meetings and presentations by the City and MFD associations.

Working with City staff, CWS will design and produce a services kit for owners/managers to assist in setting up or improving organics collection within their properties. This kit may include an introduction to program services, a checklist to follow for optimal program implementation, container options and fee information, potential pieces to share with tenants, and an additional resources list complete with contact information.

In conjunction with City staff, weatherproof outdoor signage and an indoor program poster may be designed for display on MFD properties. CWS will also help with identifying optimal sign placements.

MFD residents will receive a postcard similar to that designed for SFD residents that is tailored for tenant program participation. This piece will be distributed at least thirty (30) days prior to the start of new CWS services and available in electronic format on the CWS website and if possible the City's website.

MFD residents will receive at least one transition information piece and CWS will work with the City to determine the most effective method of information distribution based on past experience and current realities. Broadcast and print messages will be tailored to address specific issues and challenges with recycling and composting in MFDs. As with the SFD proposal above, in the interests of cost effectiveness, paper conservation, and to get the most focused customer attention, an all-in-one program piece is recommended that includes information on the new services, instruction on acceptable materials, "how to"

sort materials, proper handling of special wastes such as Household Hazardous Wastes, medical wastes, electronics and other universal wastes, etc., holiday schedule, CWS contact information and other relevant program information. CWS will work with the City to create a design that could also have its component parts separated into individual flyers as needed or prescribed. An example of the MFD program brochure for our Oakland Recycles Program is provided.

CWS staff will work with building owners/managers and residents to determine the best way to distribute or for them to acquire helpful tools, such as kitchen scrap pails and recycling caddies.

Examples of educational MFD pieces from the CWS Oakland program are in Attachment 6.

Commercial

CWS will work to ensure that all commercial customers within the City receive the combination and level of services that best suit their needs, and support their efforts with proactive planning. This will include communicating with the current collector to coordinate container delivery and removal at locations with space constraints. CWS will also take this opportunity to conduct outreach to property managers and business operators to determine if bin sizes and numbers, or the hauling schedule, should be adjusted to improve participation and conditions of the property.

A specialized education program for commercial recycling will provide information to management and employees to encourage high participation and minimize contamination. This education program can be customized for distinct business types, e.g. restaurants, offices, medical, manufacturing, warehouse, and retail. Written materials could include posters in lunch rooms and at disposal containers within the business property, and flyers/brochures. CWS will contact local business associations and make an effort to collect and/or purchase commercial customer databases to further expand its services.

Site visits will be conducted by CWS public education staff to provide technical assistance to offices and other types of commercial locations. Technical assistance will include conducting assessment of floor plans, space use and traffic flow to identify optimal placement of recycling and composting containers and related signage. CWS staff will additionally confer with business management and offer to educate staff in group meetings, individually or however else may be mutually agreed on.

It is critically important that commercial customers participate as fully as the residential customers already do in the waste reduction and recycling programs. The diversion accomplishments of Milpitas cannot be maximized without businesses rising to the challenge. CWS commercial collection drivers are a key link to the business community. Performance of their daily duties contributes to business community perceptions of CWS. CWS has developed a successful, multifaceted driver education program that stresses commercial customer service as well as safety. Relative to public education, specific training of route personnel includes familiarity with CWS company procedures and practices, household and other hazardous waste materials identification and a thorough understanding of the Commercial Collection and Recycling Program.

2.E.2. Mass mailings and Print Pieces

Highly visible outreach techniques will attract attention to the entire spectrum of waste management services; provide information about recycling, composting, special materials handling, and committed collection events, such as Christmas tree collection; and reinforce consumer and community habits to reduce waste. Public outreach will engage a variety of available media which may include ethnic broadcast and print outlets and advertising vehicles, indoor and outdoor display opportunities, social media, and online advertising. Educational messages will be delivered in the major languages spoken in Milpitas.

It is anticipated that, other than the transition-specific activities listed above, many of the outreach activities, especially related to direct contact with MFD residents and owners/managers will be on-going as needed throughout the duration of the franchise agreement. In conjunction with the City, CWS will develop a message schedule and draft related messages.

CWS proposes to work with the city of Milpitas to create a unique, attractive and easily recognized branded look for the city's overall waste management and reduction initiative that will establish a specific presence with targeted and general audiences. Doing so will create a unique and immediately recognizable identity and image in residents' and businesses' minds with a consistent theme. Additional intrinsic value will be derived from a public perception of quality and professionalism and can create emotional attachments. The branded look may include some or all of the following:

- Overall style and look
- Logo
- Theme(s)
- Overall program name or tagline
- Color scheme
- Font types
- Branding application standards

This overall branded look would be developed jointly with city staff and CWS. Branding guidelines will be documented and once developed, branding standards will be applied to relevant city web pages and educational and promotional materials.

Until the branded look is finalized, CWS will work with the city to devise an interim look for transitional materials and communications.

Annual Mailer

Each year, CWS will work with City staff to design and prepare an approved notice to all customers receiving waste services to be processed and mailed at CWS expense. This notice will include:

- The current year's approved rates for collection services
- Rates for any supplemental services
- CWS annual holiday schedule
- General summary of the services provided under the Franchise Agreement
- Any new program features or information
- Information regarding and helpful tips on recycling and waste diversion.

Bill Inserts

Two annual bill inserts will provide information sources for all aspects of the City's waste management-related services. This list will direct where to find detailed information for each service on the City and CWS websites; include which entity to contact regarding categorized concerns and direct contact information; and provide other helpful public service phone numbers and websites, such as the Santa Clara County Household Hazardous Waste program. It will also list seasonal program and special event dates.

Space permitting, it may also share additional information such as helpful tips on waste reduction or a snapshot of Milpitas success in reducing its disposed waste percentage.

Brochure and/or Quarterly Newsletter Articles

As described above, CWS recommends development of a comprehensive program brochure that is available for print out from the City and CWS websites, and may also be printed in a quantity to be determined by the City. This brochure would describe the full range of Milpitas waste management activities; explain special programs such as bulky items handling and Christmas tree collection; define acceptable and unacceptable materials in containers and how to avoid contamination; provide tips on proper recycling, composting and container set-out; and list helpful City, CWS and other resources contact information.

Additionally, CWS will develop a list of Milpitas community, non-profit, businesses and other entities that produce newsletters and request an opportunity to provide CWS-drafted, program-related content to be included in their written and/or electronic publications.

Bill Announcements

The bill processing subcontractor chosen by CWS offers the opportunity to uniquely design Milpitas billing content, thus providing yet another vehicle for public education messaging. Each bi-monthly bill will prominently display a timely, program-related, public interest message. Such messages would include current announcements related to program services such as bulky item pick-up; upcoming special events or a city festival in which CWS is participating; tips on proper recycling and composting; and prohibited materials and avoiding contamination.

Christmas Tree Collection Notification

Residents will be informed of the Christmas Tree Collection Program at least two (2) weeks in advance of actual collection through various local media. Information on this service will also be included in other public education publications such as the potential program brochure, bill messages, annual mailing, local newsletters, the City and CWS websites, and other communication vehicles that are discovered.

2.E.3. Events

Public and Community Events

Interesting and high visibility at public and community events contributes greatly to increasing program awareness and improving recycling and composting behaviors. CWS will take advantage of events to engage attendees in direct conversation about the importance and value of diverting materials from landfill disposal and educate on proper materials handling and placement. It is our experience that many people are generally aware of recycling and composting, but are not totally clear about where certain materials should go; for example, pizza boxes into the compost and not the recycling container.

CWS will participate in Milpitas community events to build additional public program awareness and establish a positive presence in the local community. Members of the CWS public education team will be present at large community events in Milpitas such as local street fairs, art festivals, concerts, etc.; particularly those in areas determined by analysis to be most in need of reinforcement of recycling habits.

CWS's education team will be responsible for setting up and staffing each event and working with the City on publicity to increase awareness and foot traffic. Event activities will include distribution of educational handouts to highlight local environmental initiatives, generally from a branded booth.

Event attendees are more likely to approach a booth/display if it is stands out, is inviting and looks like fun. CWS proposes to design and acquire a booth and related display items with high visibility and involvement items that provide an interactive experience. These will be designed with portability and interchangeability in mind so they can be used in a variety of appearances ranging from street fairs to school visits. The interactive feature may be a competition that includes the award of prizes.

CWS will continue to use its costumed character "Curby" to motivate, educate, and reach out to customers at events and through public education programs. Curby, an entertaining element in event-based community education programs, has been successful in promoting CWS recycling and collection programs in San José, Oakland, and throughout its California operations.

Examples of events include street fairs, fiestas, parades, National Night Out, etc. CWS will collaborate with City staff to develop an annual schedule of events in which CWS will be committed to participate.

Representative events in San José and Oakland over the past two years are available in Attachment 6.

35 CWS Curby Character

Environmentally Themed Days

Several nationally recognized days were specifically created to call public attention to responsible environmental stewardship. These days present a unique opportunity to focus on sustainability. CWS will take advantage of such days to promote responsible waste management generally and the Milpitas program specifically. Examples of such days are:

Earth Day: CWS would annually develop a theme based on Earth Day to increase awareness of and participation in diversion activities. The effort may include publicity, advertising and truck signage, and can be used to engage in attention-commanding activities such as a children's poster contest. Other issues, such as proper electronic disposal, could be addressed by including in the Earth Day campaign elements of Pass It On Week and/or 100 Percent Day, an outreach effort to collect 100,000 personal computers throughout the US.

America Recycles Day: CWS would annually develop a theme for America Recycles day to motivate participation specifically for reusable items. For example, a campaign could encourage pre-holiday giving of textiles or reusable items to local charities. As discussed above, identification of recycling leadership and highlighting of successes help encourage significant behavior changes in consumers.

Group Presentations

CWS staff that is specifically dedicated to the Milpitas franchise will be specially trained and well versed in the City's program as well as any applicable state and county laws. Upon request, they will be available to attend public meetings and events to explain and promote the Milpitas program upon request. Depending on the event nature and audience, Curby, the CWS costumed character, may participate, and/or the interactive display or competition may be featured.

2.E.4. Direct Communications

The focusing and messaging of the Single Family Dwelling (SFD) transition and ongoing outreach program will be guided in part by demographics and knowledge gained from past experience and ongoing data collection. CWS may, through on-line surveys and other mechanisms, gather information on Milpitas customers' level of program knowledge and customer behavior. In addition to gathering information, surveys may be interactive and provide advice and behavior reinforcement based on responses. Other media for surveys can ensure that the "digital divide" does not hamper accurate collection of information. Further, the CWS team may conduct periodic waste audits to identify customers in need of program information to improve their habits.

Corrective Action Notices

The attachment of a Corrective Action Notice onto a container with noticeable contamination is one of the most effective methods of calling immediate attention to improper recycling or composting. CWS has used such notices for many years and tailored each to fit the program requirements of each jurisdiction served.

Notices will be affixed to containers with varying levels of contamination and will advise of whether the container was collected even though it contained unacceptable items, or the reason(s) why it was not collected and how to assure collection on the next scheduled day.

Notices will be designed in collaboration with the City and will be easy to understand with the use of images instead of excessive text and feature multi-lingual information. They will also provide CWS Customer Service contact information.

2.E.5. Networking and Virtual Presence

Partnerships

Partnerships and educational training opportunities with community organizations and institutions are essential to maximizing outreach, amplifying messages, and ensuring cultural relevancy. Partnerships offer the opportunity to target outreach to communities identified by data as key opportunities for increasing diversion, and to improve the cost-effectiveness of the educational program.

Community Groups

CWS will partner with a variety of established community-based organizations and institutions to maximize access to the community and minimize outlays on paid media. These community-based organizations enjoy a high level of trust and access to communities they serve, amplifying and extending the reach of messaging

about recycling and waste diversion. These partnerships will diversify outreach efforts, ensure culturally relevant messages are propagated, and connect waste services with the broadly popular environmental movement. For example, engaging the community through existing arts organizations will maximize the reach of our messaging around the synergy between art and recycled materials, presenting a uniquely tactile example of waste diversion. These efforts will also drive earned media coverage.

City Buildings and Offices

City buildings also provide a unique opportunity for comprehensive education and outreach. Thoughtful engagement through informational materials, online communication, signage and training can support widespread participation in the new recycling program. As staff adopts new habits, they can help to distribute this message to the broader Milpitas community, and visitors to City offices can pick up new recyclables diversion habits. CWS will work closely with the City of Milpitas to develop engaging and highly visual informational materials for distribution across city offices.

Event Recycling Services

CWS will partner with local event venues to get recycling bins placed in social events, thus "normalizing" the services and providing fans and event-goers with additional opportunities to form good recycling habits.

Moms' Groups (and More)

Over than 80 percent of households in Milpitas are families. Many of these families are networked through affinity associations such as groups for families from particular cultures or who share certain traditions or values. The most prevalent form of these is the "moms' group," which networks mothers, generally based on the years in which their children were born. A search at http://moms.meetup.com/cities/us/ca/milpitas/ shows these groups can easily have 100 members or more, and the decades-old "Las Madres" playgroup network has over 1,000 members throughout the area. There are also virtual networks operating on social media. The members of these groups schedule formal and informal events, review products and services to one another, and discuss and share information. Linking to these groups to publicize the services available to residents, encourage waste reduction and recycling, and utilize their networks to promote the values of diversion and conservation will reach key decision makers at the household level. Possible engagements could include classes or clinics where something is taught, like how to repair a piece of furniture or make a project from discarded materials; social events with a theme or information available, like a playdate or happy hour; or, informational content targeted to group members based on their shared interests, like ideas of cutting plastic consumption or learning more about what can go in a food composting program.

Web Presence

CWS maintains a high-quality website with an abundance of information on collection services, tips for appropriate sorting and other opportunities to support waste reduction goals through behavior changes. One or more Milpitas-specific pages will be created to help residents prepare for the transition, access important customer service information during transition, convey personalized program information, allow customers to retrieve account information such as collection days and timeframes, connect directly with CWS customer service representatives with service-related requests, information and comments, other interactive features, such as hosting an on-line contest, etc., and serve customers' ongoing informational needs.

The website will be fully accessible to the disabled, mobile devices, with critical information available in Spanish, Chinese and Vietnamese, and easily shared on social media platforms.

The accessible and multi-lingual CWS website will be updated throughout the program to maintain a single source of information for customers. Tips, campaigns and events, and educational material on recyclables

processing will also be available online. An interactive feature will collect comments and questions to be shared with City Representatives for response by CWS on the site. Periodic surveys conducted online will take advantage of the interactive medium to collect richer information based on responses, as well as provide messages about recycling and waste reduction customized to the user. The website will utilize best practices of Search Engine Optimization to be highly findable, and integrate with social media platforms to encourage sharing.

CWS will work with City staff to revamp, energize and enhance the City's own Recycling, Organics, and Garbage Collection pages. CWS will also assure that links to CWS and its Milpitas customer related services and information are embedded in the City's site.

All program materials, newsletters, and current messages will be electronically available for viewing and download on the CWS website as well as the City's website. These sites will feature informative, entertaining and easy to understand videos, also available for direct viewing and download.

Additionally, links to additional external sources of information from other governmental agencies, environmental organizations, etc. will be featured on the CWS and City websites.

Videos

Short videos featured on the websites and available for download will guide consumers to best practices in the most relatable way. Collaboration with community-based organizations, schools, and art centers will help CWS achieve multiple objectives, including broadening awareness, engaging key communities, enhancing cultural relevancy, and providing useful tricks and tips through short, engaging videos. These videos can be shared and promoted on a variety of platforms and could be a part of a cable television paid media effort, as well. They will also be available for public download.

Social Media

The outreach team will further change consumer habits with a robust social media presence that engages Milpitas residents and keeps waste reduction and recycling at the forefront of public discourse. Facebook, YouTube, and Twitter may be used to connect the environment to everyday life and habit changes, while providing information in an engaging way. Social media can be used to reinforce habits with virtual team-building. A regularly updated social media strategy and plan will be developed by a media expert and may include both free and paid social media.

User-Created Media

Contests or other means of spurring user-created media will further engage the public in taking advantage of recycling services and reducing the waste stream, and help consumers educate themselves and each other. Examples of this could include user-created videos, sharable Internet graphics, informational handouts, creative recycling bins, and other appropriate tools and materials to expand awareness, drive behavior change and directly engage residents.

2.E.6. Special Messaging and Reporting

AB341 and AB1826

Some local businesses, especially restaurants, may not be aware that AB 1826 requires them to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per

week, and that Milpitas must implement an organic waste recycling program to divert organic waste generated by multi-family residential dwellings that consist of five or more units. The CWS public education program will strive to address this concern.

As described in 2.K.2 (page 2-76) and elsewhere throughout this proposal, CWS will provide all Milpitas compliance and reporting requirements and detailed in the resulting franchise agreement. As relates to public education, these may include, but not be limited to:

- Preparation of AB 341 achievements reports, including identification out-of-compliance units.
- At minimum, a semi-annual preparation and distribution of notices to customers who are not compliant with AB 341 or AB 1826 requirements at least semi-annually. This notice would include direction on actions to be taken to become compliant.
- Other compliance and reporting requirements to be determined.

Neighborhood Bandwagon

The neighborhood bandwagon approach uses both the example of a consumer's peers as well as the desire to be a part of a strong community to create and reinforce good waste-reduction habits. With this approach, we could send letters to Milpitas residents to say that their neighbors have increased their recycling habits, and that their neighborhood or street is approaching the status of having one of the highest diversion rates in the city.

Notifying residents that they live in a neighborhood where many people recycle will increase diversion rates with community reinforcement. Theoretical and practical research[3] has shown that when people receive information about the recycling behaviors in their communities, they will modify their own behavior to the norm.

Organics, Yard Trimmings, and Food Scraps

In addition to the overall program public education and outreach initiatives described above, CWS will engage in green waste focused public education. In many instances composting and green waste collection is specifically new to MFD residents. Therefore, specially focused and structured education is needed.

The CWS public education staff will directly outreach to owners/managers of MFD buildings containing five (5) units or more to seek assistance in reaching their tenants to communicate with them through group meetings or one-on-one.

Education activities will include, but not necessarily be limited to:

- Development and distribution of "move-in" kits for new tenants that include program information and CWS contact information.
- Providing other available educational materials for direct distribution to tenants on how to and the requirements related to organics recycling.

---

[3] Schultz, P. Wesley. 1999. "Changing Behavior With Normative Feedback Interventions: A Field Experiment on Curbside Recycling." *Basic and Applied Social Psychology* 21 (March): 25–36.

- Conducting on-site meetings and workshops that may feature hands-on demonstrations on proper recycling and organics and tips to make these activities more convenient and avoid the "ick" factor.
- Provision of additional resources and sources of information.

Schools Outreach

Milpitas schools present a unique opportunity for us to reach the next generation and disseminate detailed, in-depth information about recycling and recycling. Using similar techniques to anti-smoking efforts in California, outreach to schools will focus on children as key drivers of familial behavior. The program will teach children to recycle, as well as encourage them to act as "ambassadors" to their household. This strategy transforms children from passive receivers of information to active members of the household decision-making process. Examples of outreach activities to schools and educational centers include the following:

- CWS would invite school groups and educators to tour of the San José facility, identify existing or support development of new curriculum for in-school education, and provide uniquely pedagogical bins for in-school student use.
- CWS could create and/or sponsor contests and in-school activities to tap into student creativity and unique perspectives, including a poster contest for elementary school children. Children will be invited to create a poster or graphic encouraging diversion behaviors. Each year's winner could see his or her art featured in a mailing to residential customers.
- CWS could research available, and/or prepare and share with school teachers, Earth Day curricula of activities, content, and learning objectives that can be adapted for classroom or field trip planning.
- CWS could work with schools to teach children about composting and set up set-up composting support as part of a gardening initiative.

CWS understands that the public schools in Milpitas are an independent school district. The programs described here would be the result of a curated partnership. Partnerships with private schools, home-school groups, and other youth community-based organizations would also be part of engaging youth.

Additionally, CWS will collaborate with the City to develop and implement an annual mini-grants program to assist teachers with acquiring much needed classroom materials to support responsible waste management education. This initiative could be coupled with the creative poster contest noted above. To further underscore environmental education activities and generate excitement around recycling and composting, CWS will engage in school site visits and bring along Curby and clean, shiny recycling trucks with which children can gain valuable information and have a direct, hands-on experience. Kids will get to think about, "What is 'away,' when you throw it away?"

Facility Tours

CWS offers facility tours at its Timothy Drive and Berryessa Road processing plant in San José. This facility features a public viewing room that overlooks most aspects of the operation. Appointment requests for tours of this plant will be available to Milpitas groups and individuals on request anda can be made by phone or through the CWS web connection to customer service.

2.E.7. Street Sweeping

The Milpitas street sweeping schedule and other related information will be available through the CWS website and by contacting CWS customer Service. More detail regarding public communications regarding street sweeping is available in Section 2.M.

2.F. Multi-Family/Commercial Recycling Technical Assistance

By the time the franchise begins in September 2017, all MFD properties with 5 or more units should have both recycling and organics service. In addition, all businesses generating more than 4 cubic yards of solid waste should have recycling service (AB341) and all businesses generating more than 4 cubic yards of organic waste should have service for that material. CWS realizes that some customers may still not have the service they need and are required to have; others may technically have service, but it might be the capacity, service frequency, or container type might need adjustment. Service is only part of the picture. No solid waste collection system can work if the generators don't use it correctly.

CWS proposes to provide collection and processing to Milpitas' multi-family and commercial establishments. We currently performs recycling collection services for many such customers throughout the Bay Area, including Santa Clara County. We have developed a quality management team, selected the highest quality vendors, and further supplemented internal resources with knowledgeable industry professionals who have specialized expertise in commercial collection and recyclables. CWS has demonstrated a unique ability to motivate our commercial and MFD customers to initiate and sustain recycling programs through excellent education and support. These programs include:

- Programs and presentations appealing to specific customers
- Education and training in multiple languages
- Analysis of opportunity by recycling
- Reporting of progress from recycling
- Continual communication and support
- Demonstrated value for effort exerted

The CWS Team will work hand in hand with the City of Milpitas to develop and execute Commercial Education and Outreach programs as described in Section 2.E. In the field, CWS will meet with customers and property managers and owners, providing follow-up service and communications to identify any underperforming areas of the program in terms of recycling, and to determine how best to address customer focused education programs. We will know, based on contamination and diversion rates, which areas or customers might need pointed support. This is something we already do for our commercial and MFD customers, because proper recycling supports our business.

At CWS, every customer-facing team member is part of our technical assistance program: drivers observe on-route conditions, processors observe contamination, CSRs hear from customers, and outreach managers and staffers talk to residents and customers at events and in the field. The public outreach manager will spend roughly half of time in the field talking to these customers, and therefore the estimated weekly level of effort for technical support to MFD and commercial is 10 hours. The number of customers reached would vary depending on how much attention each needed, how far apart they are from one another, etc.

This type of hands-on outreach is important to adequately communicate to customers exactly how to participate properly. Challenges that one-on-one communications can help overcome include misinformation among individuals, variations from one site to another which can confuse people, suggestions for how to

integrate recycling and organics diversion into everyday operations, and reinforcement that these programs make a difference—yes, "it's really getting recycled."

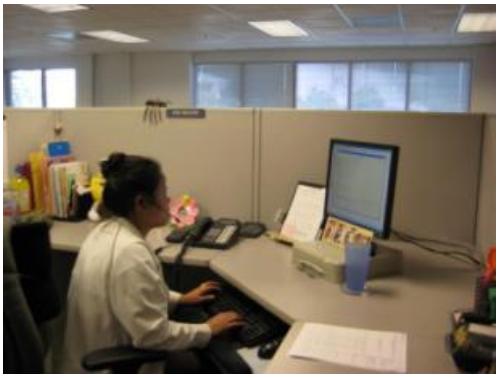
While traveling among and talking to businesses, CWS would remind the smaller generators that a little over a year later, in 2019, all businesses generating more than 4 cubic yards of solid waste will add organics separation. CWS will talk to these customers about going ahead and adding their organics cart earlier, so that they are in compliance when the time comes. CWS would also educate those businesses who generate less than 4 cubic yards solid waste about both recycling and organics diversion, and what some options might be for them, based on their particular operations.

2.G. Customer Service

CWS believes in providing customers with exceptional service by:

- Pursuing innovation
- Protecting the environment
- Caring for employees in the best ways possible
- Providing a positive impact on the communities we serve
- Keeping facilities and equipment up-to-date and in peak condition

2.G.1. Customer Service Plan



36 Customer Service Representative

Customer service involves not only the front line interaction of our crews, but also our customer call center. CWS currently operates a customer call center in San José and one in Oakland. Each center focuses on the customers closest to it. By having the separate call centers, CWS is able to provide redundancy, to ensure any extended outages will result in all customers continuing to receive the best possible service available.

The draft Collection Agreement stipulates that there be a minimum of three CSRs dedicated to Milpitas. Based on our experience in San José and Oakland, CWS expects that customers in Milpitas will average 11 to 13 calls per day, or a range of 1 per 1,300 customers to 1 per 1,000 customers. A staff of three CSRs should be able to provide exceptional customer service and support billing matters for the City of Milpitas. During transition periods, call volume with be greater and CWS will "staff up" accordingly. To engage residents of Milpitas, the City and CWS will establish a new and unique phone number for their use, and we can also "port over" the legacy number. CWS has reserved several phone numbers to use for the City of Milpitas. We're currently working with our telephone provider to secure a catchy call-in number that's easy to remember.

All customers calling the Milpitas telephone number will be identified and pleasantly greeted as Milpitas customers. Our Customer Service Representatives are trained to treat customer calls with the utmost professionalism and accommodation. CWS wants every caller to feel that CWS understands their needs and responds appropriately. To achieve the goal CWS uses the "World Class" Customer service and

marketing model. This involves extensive training on how to best respond and resolve all customer calls, including customers who may be challenging to work with. Developing, implementing and perfecting extremely high levels of customer service skills are critical in maintaining and increasing customer satisfaction. All representatives are trained and empowered to resolve customers' needs without the need for further follow up by the customer. CWS wants all callers knowing that we consider their needs seriously. This level of customer satisfaction is achieved through proper training, empowerment, and supervision. The pro-active "World Class" service model will also be all encompassing and ensure that the customer are always provided the most current and correct program information to ensure that customers are part of the solution in achieving the solid waste diversion goals for their personal household, their community and the City of Milpitas.

To achieve the goal of a successful "World Class" service model, the Customer Service Technicians must be effectively trained in how best to respond. A Customer Call Center Coach will continually motivate the Customer Service Technicians to provide the customer support anyone would want: courteous, helpful, and quick to resolve any customers' needs and to be pro-active. The Customer Service staff will be consistently evaluated to ensure that staffing levels are maintained to provide the highest service levels and to exceed contract level requirements.

CWS ensures it meets the "World Class" Service model by empowering fluid communication between all departments, from Billing, Collection, Processing and Management. Additionally this extends to CWS's other operations: Information Technology, Contract Compliance, Human Resources, and Public Affairs. CWS ensures that in addition to service level changes the customers' billing needs are integrated, to ensure that Customer Service Technicians can directly respond to and adjust customers' billing needs as well. When CWS says our Customer Service Center is a "One Stop Shop" it's not just a slogan: it's a reality.

2.G.2. Customer Service Technology Platform

The CWS Customer Service Representatives, and all other CWS operations, have access to the valuable, robust and proven Tower computer software tools. This package provides faster speed than comparable systems, flexibility to modify and adapt to changing needs, exceptionally stable database management, and—most importantly—accurate and real-time billing and integration between customer service, collections and post-collections operations. This software is backed by over 25 years of development enhancements and experience within the waste industry. This software is developed by waste industry specialists for the waste industry. This means that the software from the base platform up uses the needs and details this industry requires as its basis.

Tower allows for real-time information and is built on the basis customer service, billing, collection, post-collection may occur real-time. The real-time benefits provide for data and digital communications continuity, connectivity, accuracy and agility. From the customer service representative all the way to the driver in the truck, up to the minute information about a customer's profile, specific needs and current billing status can visually be seen. Because of the flexibility of the system, even persons off-site, with proper security access can view and update these files anywhere in the world with access to the internet. **In this way, even the field supervisor, sales staff, and City staff can view and update files as necessary.**

Tower capabilities include secure customer billing, customer payments, intra-departmental communication, routing/dispatch, reporting, route modeling, rate changes, container inquiry/inventory, customer inquiry, customer entry/maintenance, route audit tracking, work order generation, real-time route changes, direct communication to drivers in the field, remote access worldwide, internet payment and billing information. **In this way, customers can access the information they need and pay bills conveniently online.**

Because of the adaptability and flexibility of Tower, additional features can be developed quickly and easily, making Tower the most powerful software packages for the Waste Industry. Additionally, the way that Tower is built, report generation is flexible and fast. Tower major software modules include:

- **Customer Service Profile:** Data entered here feeds the rest of the system; the functions for this module are rate information and service location data including key contacts, container information, and billing information. This area allows CWS to access any part of the customer's profile.
- **Routing and Route Model:** With these modules, permanent routing can be created based on information keyed into Customer Maintenance. Efficiency is maximized through automated grid routing and search capabilities to locate a service location for easy route maintenance all the way down to geo-coding of the actual containers. This manual draws the route for the driver similar to a standard GPS system but is much more powerful. The system documents when service is completed both visually and using GPS and RFID tagging.
- **Dispatch:** With CWS using Tower, daily dispatch will be smooth, efficient and easy. Drivers log into their touch screen computer panel inside the truck and the route is drawn for them. Changes can be made even while the driver is in the field without the complication of printing paperwork and other more cumbersome communication methods. The driver has an interactive computer panel in the truck that updates the route real time. Missed collections are virtually eliminated due to someone forgetting or lack of familiarity of a route. The system prevents the misses because the driver is not permitted to log out until the route is completed and any adjustment or service changes are addressed as well. Customers can log into the system to see if they have been service, if there were any challenges or if they are still pending.
- **Container Inventory:** This module ensures that container inventory is up-to-date, automatically updating the dispatching system when container delivery/removal routes are updated.
- **Report Capabilities:** Using SQL language Tower offers unlimited report writing capabilities. If it is in the system, it can be retrieved in many types of report formats to include Excel. Because of the flexibility and ease of use, development of the reports takes hours vs. typical report writing systems, which require weeks or days for an IT programmer to create them.
- **Accounts Receivable, Invoicing and Billing**: Tower permits many type of invoice formats, billing periods, and restriction of service. **In this way customers can rest assured that billing accuracy and integrity are maintained at all times.**

At CWS, Tower has been proven to especially facilitate and support Operational Connectivity (OC) because it enables us to:

- Know and greet our customer;
- Anticipate the needs of our customer;
- Identify opportunities to improve customer service, performance and reduce expense; and,
- Apply, add, and adjust services to better satisfy the customer's needs and changes.

In summary, CWS has been very successful at recycling and increasing the diversion of recyclable materials because it effectively and efficiently practices highly integrated Operational Connectivity among all CWS operations, daily. CWS tests the effectiveness of its alignment and support by exercising the connectivity

between departments. The Customer Service system has been and will continue to be tested, refined, and adjusted to ensure that all Customer Service Technicians are competently trained before they take their first call and their ongoing training does not stop for their career time at CWS. Our approach and philosophy will be to:

- Achieve the highest level of customer satisfaction as possible by successfully implementing and supporting our customers;
- Earn excellent program participation and compliance by all customers so to maximize diversion in the City of Milpitas;
- Motivate customers to participate in achieving the communities solid waste diversion goals;
- Achieve and sustain an effective level of customer education about programs, materials and material preparation;
- Continually reduce the number of customer-generated service calls because customers are pre-informed about program options, expectation, and program benefits;
- Increase the number of CWS-generated service calls to ensure that we promote the program services that increases solid waste division diversion, program efficiency, and reduced collection rates; and,
- Establish a Direct Engagement and interaction with customers regarding their recycling service communication.

In order to ensure that any customer calling is able to communicate effectively with our staff, CWS uses and will continue to use Language Line Personal Interpreter Services. These highly qualified interpreters are just a phone call away and virtually any language is available 24 hours a day. Once CWS determines the language the customer communicates in, our representatives will use this service to have a live person translate their conversation back and forth. In this way each customer no matter their potential language barriers will be able to experience the "World Class" Service model. Additionally CWS will maintain a Teletypewriter Telecommunications Device for the Deaf (TDD) service for our customers who utilize this service to ensure that their service needs are met with the same level or professionalism.

2.G.3. Customer Service Protocol

CWS will operate a customer call center that provides local telephone and email access to all residents and businesses in Milpitas, and is staffed by trained and CSRs. At a minimum, the call center will be open 7-:00 AM to 6:00 PM Monday through Friday and on Saturdays when SFD or MFD recycling services are scheduled to be provided. The call center will, with the aid of the Language Line Personal Interpreter Services and multi-lingual CSRs, be able to respond to all calls, and can accommodate callers from multiple languages, including, but not limited to English, Chinese (Cantonese), Vietnamese, and Spanish.

When customer calls are received, CWS Customer Service Representatives using the Tower 7.0™, will determine the type of inquiry, e.g., service-related, billing problem, container exchange, etc. During the call, the following information will then entered by the CSR who will print a standard two-part automated service call work order at the Dispatch office.

- Date and time of customer contact with CWS plus; date and time response was provided; date and time resolution was provided; description of CWS's resolution of service issue or complaint, or

response to inquiry; CWS's employee identification codes for employees inputting the complaint or inquiry as well as the resolution

- Customer's name and contact information: phone numbers, e-mail address, account address; service address; occupant address
- Service location information: including where applicable, number of units; number, size and type of recycling containers; collection service day; route number; backyard service status; special handling service status; and bulky item collection history (e.g., number of annual services performed, date requested, date provided)

The customer's request for service is handled at the time the customer contacts CWS.

During the call, the CWS Customer Service Representative listens while reviewing the customer's account for previous service request history. Agents are outfitted with the latest in technology, to allow the call to proceed smoothly. This includes BlueTooth Wireless Headsets, Dual Displays, and a very fast computing system. As the customer is making their request, the Customer Service Representative enters the appropriate computer codes, route and priority number for processing. The request is processed electronically so that it appears immediately in the system and is available on-line in real-time to Dispatch. The work order is printed out immediately and assigned a priority number, and is held in a batch file for printing or viewing in real-time, together with other similar requests. Work orders can be categorized in various ways, including by route, by type, and by status (pending, open or closed).

Complaints and missed collections are addressed the same day whenever possible and no later than the next day if the call request is made after business hours. If the response time for the request is the same day, the online feature of the CSR system allows dispatchers to quickly assess outstanding work orders and immediately relay them to drivers in the field.

If the response time for the request is the next day, the work orders are printed as part of the route sheet and given to the drivers at the start of their shift for completion that day. Completed work orders are input by Dispatch, which enters the resolution and closes out the call. Resolution codes can include information to show how long it took to complete the work order. Customer service staff provides all information needed for customer follow-up on the work order.

Both hard copies of work orders and electronic data are kept on file as part of the monthly reporting requirements to the City. All customer calls are noted in the system and all information is kept confidential. The computerized database allows requests to be catalogued for reporting purposes. All customer service inquiries that have been received on the voice mail system after office hours are transcribed onto a work order by a CWS Customer Service Representative. A special note is made indicating when the customer requires a return phone call.

The minimum customer service standards for customers in the City of Milpitas will be as follows:

- A minimum of fifteen (15)) incoming calls can be received at one time at the call center (minimum performance level)
- All incoming calls are answered within five (5) rings by our ACD, callers are given useful information, the instructions to send an email, the ability to leave a voicemail, or the option to wait for a CSR to answer them, if they so choose.

- Customer on-hold waiting time will be approximately one and a half (1.5) minutes or based on a daily average
- During any on-hold waiting time and when the call center is closed, customers are offered the option to leave a voice message
- Any call "on-hold" in excess of one and one half (1.5) minutes will have the option to remain "on-hold" or to be switched to a message center where the customer can leave a message
- Customer voice messages are returned in the order received and at latest by the close of the workday following the day the voice message is received
- Customer emails are responded to in the order received and at latest by the close of the workday following the day the email is received
- All customer complaints will be resolved within 24 hours;
- Our CSR staff will receive quality-based performance reviews and continuous training in the latest customer service techniques

CWS will provide a high-quality website with an abundance of information on the new collection services, tips for appropriate sorting and other opportunities to support waste reduction goals through changes in habits. The site will provide in-depth information on programs and environmental initiatives; sections include tips and resources for maximizing residential and business recycling, information for commercial customers to boost diversion rates, and specifics on how to responsibly dispose of e-waste, hazardous household materials, and other environmentally harmful materials, find answers to frequently asked questions, view rates for residential recycling collection services, find listings and descriptions of collection service schedules and maps, and other related topics. The website will be fully accessible to the disabled, mobile devices, with critical information available in Spanish, Chinese and Vietnamese. The site will be easily shared on social media platforms. The website will have a link to the City's website. CWS will work with the City to ensure that the City's website has a link to the CWS Milpitas homepage, and a link that customers can use to email the CWS customer service team directly. CWS has reserved two easy-to-remember URL www.milpitasrecycles.com and www.milpitas.green, which the City can choose to activate. That URL will re-direct to the CWS website, www.calwaste.com/Milpitas.

2.H. Customer Billing

CWS's use of the Tower Customer Management software uses a centralized database so all customer work orders and interactions are immediately updated on the customer's profile, and therefore on the bill. Customer Service Representatives are able to see past, present, and proposed charges for the customer while they are on the phone.

In order to ensure that accurate billing and service data is imported into our database, we will perform a thorough audit of the proposed service area. This audit will include a dedicated team driving each of the routes on the assigned service day to observe and document the type, quantity, and quality of services. This data will then be compared with any data from the previous franchisee that the city may be able to provide, and any areas of inconsistencies will be researched. Once the data is scrubbed and confirmed to be accurate, it will be uploaded into our Tower system, and account numbers will be assigned to each customer. Previous account numbers will be retained for historical and research purposes.

Auditors will complete the residential route audit form and productivity audit form submitted for approval by California Waste Solutions. Productivity and data captured will include:

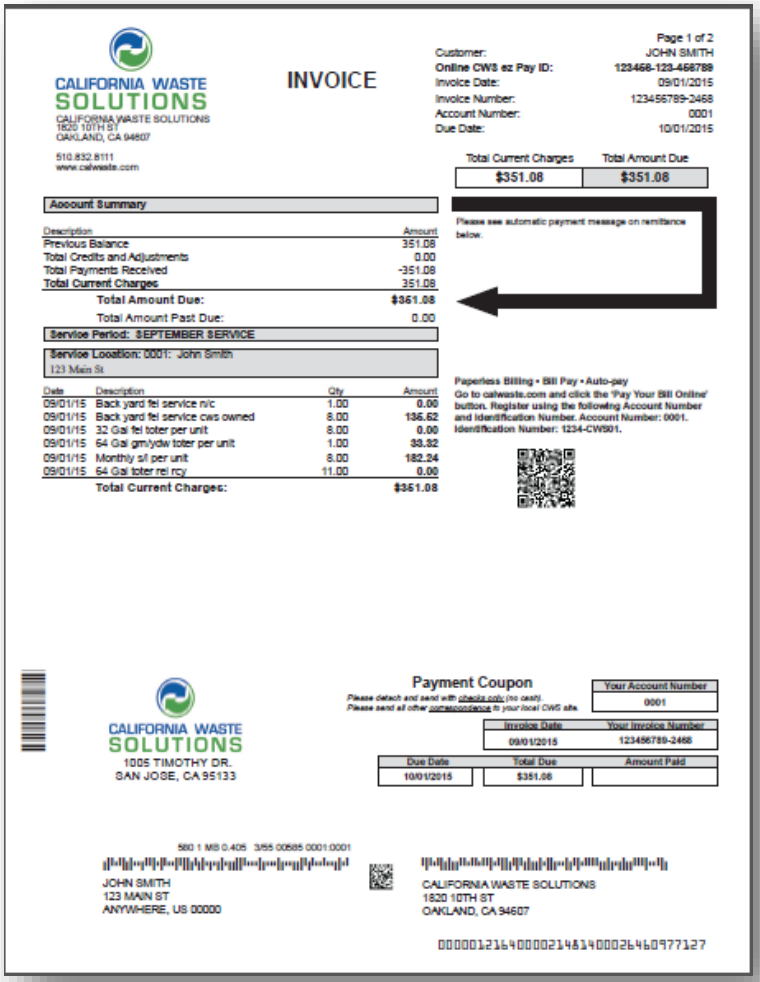
- Quantity of carts/bins set out per account
- Size of carts/bins set out per account
- Recording of accounts with no set out
- Recording of carts observed (Residential accounts only)
- Recording of Backyard service by account (Residential accounts only)
- Recording of NOL's (Not on List)
- Pull out times (for "long pulls") for RL routes
- Recording of non-gray carts set out (MF accounts only)
- Stop Times (MF accounts only)
- Access (MF accounts only), i.e. key, punch codes, remotes
- Location of Service, exceptions (MF accounts only), i.e. side gate, enclosure, garbage room, etc.
- Productivity
- Difficulty

As described in Section 2.N of this proposal, during Transition CWS will enhance the capabilities of its San José-based customer call center to best serve its new customers in the City Milpitas. During Transition, CWS will advertise for the new staff and conduct interviews. This and the other individual tasks to expand the CWS customer service staff are shown on the schedule in Attachment 9. CWS will also work with the City to assure that information between the City frontline customer staff and the CWS call center is perfectly integrated. Call volume will be higher in the initial months, and CWS's recognized excellence at transition periods underscores our ability to manage it optimally.

At all times, CSRs are trained to be thorough and fully resolve every aspect of the customer's call. When customers call in with questions about their bills, the CSRs will listen first, and then respond with data, and information to help the customers understand their bills, and in the event of any error or courtesy adjustment, the CSR will explain the reasons, and document accordingly.

CWS will offer two in-store payment locations in Milpitas. They are both centrally located on Main St. and Calaveras Blvd. Milpitas residents will simply need to bring with them their remit slip, or reference their phone number when they make their payment. They will receive a receipt, and the data will be updated to CWS's systems within 48 hours.

CWS Currently provides billing services for Commercial Services for the City of San José and for the City of Oakland, and for the Bulky Program for the City of San José. A sample of that billing is provided on the next page in Figure 6.



CALIFORNIA WASTE SOLUTIONS
CALIFORNIA WASTE SOLUTIONS
1820 10TH ST
OAKLAND, CA 94607

510.832.8111
www.calwaste.com

INVOICE

Page 1 of 2

Customer:	JOHN SMITH
Online CWS ez Pay ID:	123468-123-468789
Invoice Date:	09/01/2015
Invoice Number:	123456789-2468
Account Number:	0001
Due Date:	10/01/2015

Total Current Charges	Total Amount Due
$351.08	$351.08

Please see automatic payment message on remittance below.

Account Summary

Description	Amount
Previous Balance	351.08
Total Credits and Adjustments	0.00
Total Payments Received	-351.08
Total Current Charges	351.08
Total Amount Due:	**$351.08**
Total Amount Past Due:	0.00

Service Period: SEPTEMBER SERVICE

Service Location: 0001: John Smith
123 Main St

Date	Description	Qty	Amount
09/01/15	Back yard fel service n/c	1.00	0.00
09/01/15	Back yard fel service cws owned	8.00	136.62
09/01/15	32 Gal fel toter per unit	8.00	0.00
09/01/15	64 Gal gm/ydw toter per unit	1.00	33.32
09/01/15	Monthly s/l per unit	8.00	182.24
09/01/15	64 Gal toter rel rcy	11.00	0.00
	Total Current Charges:		**$351.08**

Paperless Billing • Bill Pay • Auto-pay
Go to calwaste.com and click the 'Pay Your Bill Online' button. Register using the following Account Number and Identification Number. Account Number: 0001. Identification Number: 1234-CWS01.

CALIFORNIA WASTE SOLUTIONS
1005 TIMOTHY DR.
SAN JOSE, CA 95133

Payment Coupon
Please detach and send with checks only (no cash).
Please send all other correspondence to your local CWS site.

Your Account Number
0001

Invoice Date	Your Invoice Number
09/01/2015	123456789-2468

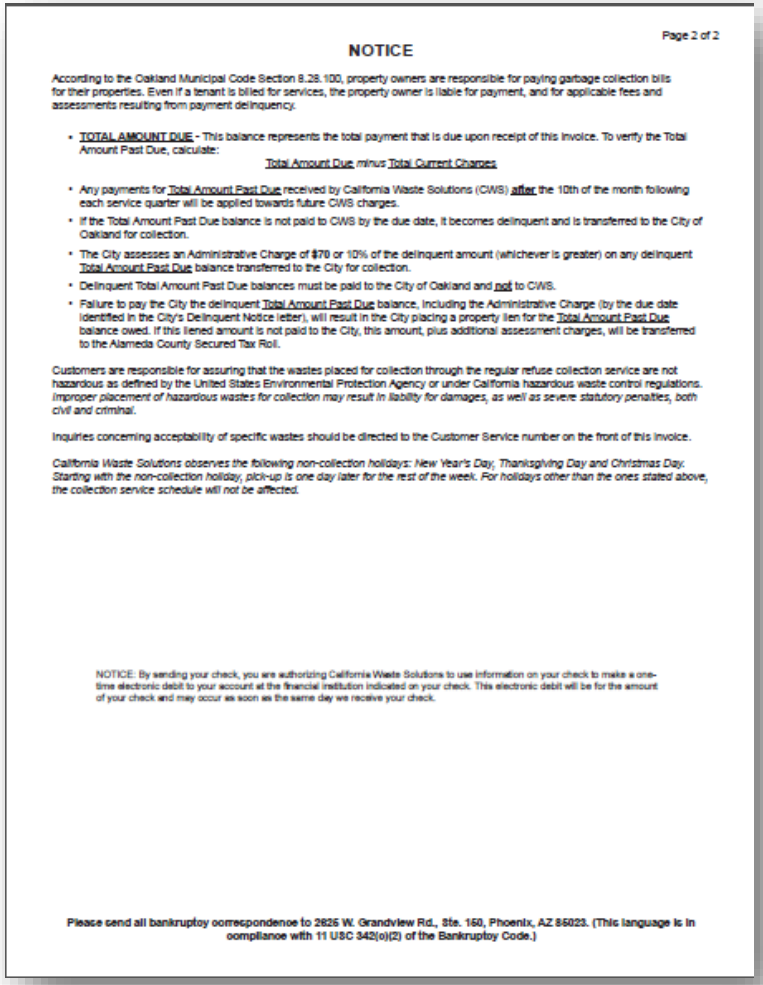
Due Date	Total Due	Amount Paid
10/01/2015	$351.08	

580 1 MB 0.405 3/55 00585 0001.0001

JOHN SMITH
123 MAIN ST
ANYWHERE, US 00000

CALIFORNIA WASTE SOLUTIONS
1820 10TH ST
OAKLAND, CA 94607

0000012164000021481400026460977127



Page 2 of 2

NOTICE

According to the Oakland Municipal Code Section 8.28.100, property owners are responsible for paying garbage collection bills for their properties. Even if a tenant is billed for services, the property owner is liable for payment, and for applicable fees and assessments resulting from payment delinquency.

- TOTAL AMOUNT DUE - This balance represents the total payment that is due upon receipt of this invoice. To verify the Total Amount Past Due, calculate:

  Total Amount Due *minus* Total Current Charges

- Any payments for Total Amount Past Due received by California Waste Solutions (CWS) **after** the 10th of the month following each service quarter will be applied towards future CWS charges.
- If the Total Amount Past Due balance is not paid to CWS by the due date, it becomes delinquent and is transferred to the City of Oakland for collection.
- The City assesses an Administrative Charge of $70 or 10% of the delinquent amount (whichever is greater) on any delinquent Total Amount Past Due balance transferred to the City for collection.
- Delinquent Total Amount Past Due balances must be paid to the City of Oakland and not to CWS.
- Failure to pay the City the delinquent Total Amount Past Due balance, including the Administrative Charge (by the due date identified in the City's Delinquent Notice letter), will result in the City placing a property lien for the Total Amount Past Due balance owed. If this liened amount is not paid to the City, this amount, plus additional assessment charges, will be transferred to the Alameda County Secured Tax Roll.

Customers are responsible for assuring that the wastes placed for collection through the regular refuse collection service are not hazardous as defined by the United States Environmental Protection Agency or under California hazardous waste control regulations. *Improper placement of hazardous wastes for collection may result in liability for damages, as well as severe statutory penalties, both civil and criminal.*

Inquiries concerning acceptability of specific wastes should be directed to the Customer Service number on the front of this invoice.

California Waste Solutions observes the following non-collection holidays: New Year's Day, Thanksgiving Day and Christmas Day. Starting with the non-collection holiday, pick-up is one day later for the rest of the week. For holidays other than the ones stated above, the collection service schedule will not be affected.

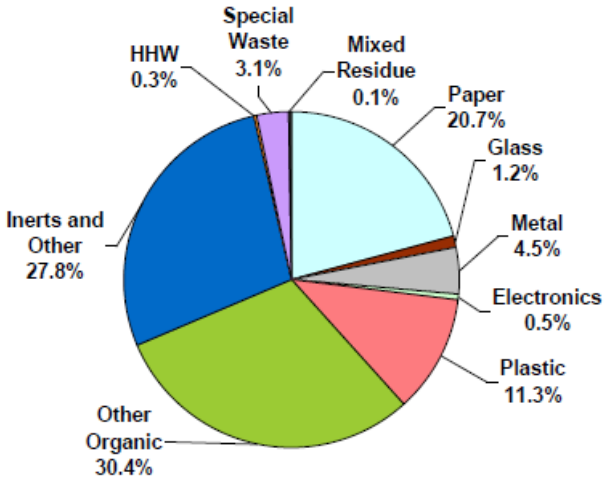
NOTICE: By sending your check, you are authorizing California Waste Solutions to use information on your check to make a one-time electronic debit to your account at the financial institution indicated on your check. This electronic debit will be for the amount of your check and may occur as soon as the same day we receive your check.

Please send all bankruptcy correspondence to 2625 W. Grandview Rd., Ste. 150, Phoenix, AZ 85023. (This language is in compliance with 11 USC 342(c)(2) of the Bankruptcy Code.)

Figure 6 Sample Billing Statements

2.I. *Multi-Family and Commercial Recycling and Organics Plan*

CalRecycle's prevailing 2008 waste study reported that about a third of the waste disposed by all customers could have been recycled in single stream programs (paper, metal, glass, and plastic) and a third was organics. For commercial generators, even more of the waste disposed could have been diverted: nearly 38 percent was recyclable and a third was organics. Most industry sources, including the CalRecycle study, estimate that about half of the waste stream comes from the commercial sector. For this reason, proper source separation of recyclables and organics by this sector are critical to overall waste diversion efforts. The CalRecycle data is shown in Figure 7.



Sector	Est. Percentage of Disposed Waste Stream	Est. Tons Disposed Statewide
Commercial	49.5%	19,672,547
Residential	30.0%	11,935,173
Single-family residential	*21.6%*	*8,583,746*
Multifamily residential	*8.4%*	*3,351,428*
Self-hauled	20.4%	8,115,098
Commercial self-hauled	*17.2%*	*6,812,464*
Residential self-hauled	*3.3%*	*1,302,634*
Totals	**100.0%**	**39,722,818**

Numbers may not total exactly due to rounding. Source: Individual facility records and 2008 vehicle survey findings applied to CIWMB Disposal Reporting System 2007 tonnage figures.

Figure 7 Charts from EPA

Pie Chart, "Material Classes in the Commercial Disposed Waste Stream"
Table, "Estimated Contribution of Each Sector to California's Overall Disposed Waste Stream"
Source: CalRecycle

Beyond recyclables, mandatory recycling of organic waste is the next step toward achieving California's aggressive recycling and greenhouse gas (GHG) emission goals. According to CalRecycle, California disposes approximately 30 million tons of waste in landfills each year, of which more than 30 percent could be used for compost or mulch. Residential generators tend to recycle "better" than commercial generators, practically half of their waste disposed is organics. MFD residents often have lower participation rates than SFD residents in recycling programs. The reasons for this are both practical—for example, buildings and homes were not designed to accommodate more than one waste stream—and social—resident turnover, education challenges, and programs that are not designed to suit apartment life. Combining 8 percent of the overall waste stream coming from multi-family units with the 50 percent from the commercial sector gives us 58 percent of the waste stream that is primed for improvements in waste reduction and recycling, given proper access to appropriate programs.

California has several statewide laws and initiatives in place to reduce waste and increase diversion. AB341 requires that businesses that generate 4 cubic yards or more of solid waste per week must have recycling service. Multi-family properties with 5 or more units also must arrange for recycling services.[4] The

[4] MFD properties with 2 to 4 units are usually treated as single family homes, both operationally and regulatorily; this is the case in Milpitas.

service proposed by CWS covers all of these requirements and offers cart-based recycling service to the smallest businesses (those not subject to AB341) as part of their solid waste service. We do this because we believe in waste diversion as a real, every-day thing that individuals and businesses can do to protect their environment. We also do it because recycling is our core business, and properly separated recyclables are our economic fuel. We support the use of regulations to inspire—and induce—everyone to recycle.

As mentioned above, organics constitute a large portion of material that is currently disposed. AB 1826, a newer law, phases in organics recycling for businesses and MFDs. The staggered enactment is based on the amount of material generated per week, similar to AB341. At the start of the franchise, all businesses with 4+ cubic yards of organic waste per week will be required to source separate organics. CWS will be able to readily identify those customers to whom the requirement applies, as they will be differentiated by what size bin or cart they use. For example, with some exceptions, customers using even the smallest front-end-loading bins likely generate 4 or more cubic yards of organics per week. Business customers who use rolling carts likely generate less than 4 cubic yards of organics per week. Closer evaluation will confirm or correct this.

As described in Section 3.5 of this proposal, addressing the specific need for organic collection service at each commercial customer will be a key and initial task that CWS will begin immediately after earning the award from the City of Milpitas. Although customers generating 4+ cubic yards of organics should have had service for several months before the franchise begins, it is possible that many would not yet have it. Our task list for identifying and serving them is as follows:

a) Contact all commercial customers and property management companies that are obligated to participate in an organics recycling service, by AB1826
b) Ascertain each level of organic recycling service for commercial customers
c) Record and report properties that achieved or have opportunity to comply with AB1826
d) Determine, advise and implement programs that enables each commercial customer achievement of AB1826 compliance
e) Initiate organic recycling service that maintains the commercial customer compliance with AB1826
f) CWS will initiate an organic recycling service by providing site and equipment surveys, working with City Staff colleagues at planning and permitting, and installing the appropriate equipment which enhances services and minimizes inconveniences for the customer.

CWS envisions that this process will take approximately 3 months to complete.

During this process, CWS would inherently also identify the customers who generate 4+ cubic yards of *solid waste*, to whom AB1826 would apply in 2019. These customers mostly likely would have carts for solid waste and for recycling, already; CWS would go ahead and make available to these customers optional cart-based organics service, making the status of organics in Milpitas superior to the prevailing requirement.

This law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by MFD properties with five or more units. When the franchise begins in September 2017, these customers should have had organics diversion for over a year; however, we realize that some may not. We will be able to identify applicable customers and evaluate compliance during the transition period, again, most readily by the type of containers they use. CWS supports AB1826 because we feel all residents should have access to the same services. For this reason, we will work with the MFD properties to install containers that are not only the right capacity but also appropriate for the residents to use.

As described in our transition plan in Section 2.N, times of change in service levels require extra customer service and extra patience. CWS excels at transition periods. All of the transition outreach listed in our transition plan would include information about both the prevailing 2017 requirements and the upcoming 2019 requirements. A reporting detailed in 2.K.2 (page 2-76) would include information on compliance with and participation in AB341 and AB1826.

CWS projects that when customers are source-separating organics, they will have about 20 percent by weight in organics. This is based on the above-cited figures estimating that 30 percent of the waste stream is processible organics, allowing for some loss to disposal due to user error or inaction. We'll provide all customers with organics capacity equal to at least 20 percent of their solid waste by weight, adjusting as appropriate for real-world conditions. Some businesses, for example restaurants, will of course have more; others might have less.

2.J. Subcontractors

None.

2.K. Management and Customer Service Systems

2.K.1. Training

CWS policy is that every employee is entitled to a safe work place. To this end, every reasonable effort is made to provide employees with great information and training. CWS has an excellent safety history and adheres to the highest industry standards and regulatory requirements for personnel training. All CWS personnel will have successfully completed a program specifically tailored to their respective duties to ensure company compliance with all waste management, transport and handling requirements and that is consistent with the high level of customer service to which the company is dedicated.

Safety programs can only be effective if the employees fully understand how to conduct their jobs. CWS has responded to the challenges of implementing a comprehensive safety program for its multilingual workforce. CWS conducts trainings in English, Spanish, and Vietnamese, conveyed in a manner that accommodates all levels of education and literacy. To enhance its multilingual safety programs, CWS empowers key bi-lingual employees as translators.

During the transition period, City of Milpitas staff will be offered an opportunity to provide literature and/or to address training sessions to communicate city concerns and policies regarding the importance of good customer service and best job practices.

CWS provides a safe and healthful workplace by maintaining a comprehensive operational health and safety plan, including the identification of hazardous waste and use of protective clothing and safety devices. Procedures include periodic (at least weekly) meetings with all personnel that address safety issues and accident prevention. A process exists for the reporting and monitoring of all industrial accidents.

CWS's comprehensive safety program includes an Injury Illness Preventive Program (IIPP). Safety and environmental training programs are intended to ensure that employees fully understand how to conduct their jobs in a safe and productive manner.

CWS provides training to our employees using established human behavior learning methods, including verbal and visual training tools, interactive discussions, small group discussions and review of scenarios, as well as, hands on one-on-one supervisor and driver ride along checkouts. We provide comprehensive equipment checkout rides, driver safety, and prevention training in commercial settings, including:

- Injury and illness prevention
- Personal Protective Equipment
- Lock-out/Tag-out (Hazardous Energy Control)
- Confined space
- Fall protection
- Heat stress
- Slips trips and falls
- Emergency Evacuation
- Pre-planning for the approach route to service sites and CWS facilities
- Operation in and around all CWS collection, maintenance, and processing facilities

37 Employee Training

Our system incorporates specific elements to address accident prevention training:

- Route planning for the safest ingress and egress
- Backing & mirror alignment
- Pedestrians & driving distractions
- Space cushioning
- Construction zones
- Highways/intersections

CWS conducts weekly and monthly safety and training meetings among managers and workers. , applying specialized curriculum for collection, processing, office and clerical operations. CWS safety programs include workplace harassment, violence, and drug abuse.

CWS has low accident and injury rates with all incidents investigated completely to in part determine the incident root-cause and whether it was preventable. CWS then determines what can be done to continuously improve safety. Conclusions are shared among the entire company to take advantage of a learning opportunity to prevent future accidents or injuries. Employees who have 'near-miss' accidents or injury incidents are counseled and retrained.

CWS has a safety incentive program that measures and ranks safety as a key performance metric. These metrics include participation in training, reporting of hazards, successful inspections and safe operating behaviors. Awards and recognition are provided on a quarterly basis within departmental segments.

CWS and InterWest Insurance partner for delivery of risk management consulting and safety programs. InterWest is engaged and provides the following training and services:

- Workers Compensation claim management
- Supervisor/Management safety training (Safety One-on-One)

- Facility safety audits, participate in investigations and survey of facilities
- Review of new processes for training needs and establish and create IIPP program
- Observation of work methods and procedures to identify hazardous conditions and recommended improvements
- Assistance with preparing regularly scheduled safety meetings and provision of bi-lingual training material
- Assistance for Supervisors to develop skills in evaluating incident root cause and job hazardous analysis

CWS has a continuous record of DOT Certificate Successful Inspections 2005 – 2015 CWS's 2015 Workers Comp Safety Audit, CWS's 2007-2015 Company-wide TRIR and LWIR Record; CWS's Company-wide Safety Training Calendar and Safety Orientation Checklist are full and complete.

CWS's safety and environmental resources team will align with the City of Milpitas to ensure proper delivery of CWS's "Best Practices Training" on curbside collection and customer relations to all new employees.

Training programs that have been implemented for CWS's collection, facilities, and office operations include:

38 Employee Training

- Injury and illness prevention
- Basic safety introduction
- Personal protective equipment
- Lock-out/Tag-out (Hazardous Energy Control)
- Confined space
- Accident investigation
- Equipment maintenance
- Ergonomics
- Handling needles and other medical waste
- Vector and disease awareness
- Emergency evacuation
- Pre- and post-equipment inspection and other vehicle safety requirements
- Defensive driving
- Specific solid waste collection training including using Waste Equipment Technology Association (WASTEC) training materials
- Equipment education
- Hazardous, universal, and other prohibited waste protocols
- Prevention of injury on duty

The CWS Human Resource Manager and safety team leads ongoing substance abuse training. All new personnel will take part in an initial training session and supervisors and managers will be provided further education. It is important to have a substance abuse-free work zone and in developing the partnership between the City of Milpitas and CWS, the City representatives will be afforded the opportunity to address each of the sessions. Managers and supervisors will be specifically trained on the following:

39 Employee Training

- Why it is important to have a substance abuse free work zone
- Statistics on workplace drug abuse
- Identifying workplace drug-use: performance, behavioral, physical, paraphernalia
- The appropriate and legal manner in which to approach employees suspected of drug abuse
- The appropriate and legal manner in which to drug test based on reasonable suspicion

CWS requires certain physical examinations for employees and prospective employees that are designed to protect the employees and provide assurance to CWS that employees are capable of meeting the strenuous demands of recyclables collection. As CWS maintains a drug-free workplace, there are requirements for periodic drug testing for employees and prospective employees. These are designed to protect the employees, and provide assurance to CWS that its employees are meeting the drug free policy and are capable of meeting the strenuous demands of solid waste collection. Responsibility for managing these requirements rests with the CWS Human Resources Manager, aided by individual supervisors and line mangers. CWS policies on physical examinations and drug testing meet all federal and State of California requirements.

CWS will provide training to minimize the risk of work place violence. All employees will be trained in Alternative Dispute Resolution. This will help employees understand that there are alternative methods to resolve disputes when a conflict is identified. CWS will institute a Threat Assessment Team that will work with management to assess the potential for workplace violence.

Driver Training

CWS drivers are continually trained to always operate safely, proficiently and efficiently. Part of our exemplary worker safety history is based on CWS operating the best and newest equipment available for all of our operations that frequently incorporates the latest in ergonomic design features to help our employees continuously maintain safe operations.

A successful, multi-faceted driver education program has been developed that stresses both safety and service to the customer. CWS is proud of its driver safety record as documented elsewhere in our proposal.

All new employees are required to participate in a driver orientation and safety program, which familiarizes the driver with the vehicle, and the importance of providing outstanding service.

Each driver will be required to attend training that involves operation of solid waste collection vehicles. The WASTEC group of the Environmental Industry Associations publishes the Manual of Recommended Safety Practices and training materials designed specifically for the waste industry. These materials will be utilized by CWS as the core of their training program. These will be supplemented by other materials as appropriate.

Specific areas covered include:

- Customer service orientation
- Personal protective equipment
- Defensive driving techniques
- Spill response procedures
- Hazardous material recognition
- Injury and illness prevention
- Truck equipment familiarity
- Recycling Program Goals and Objectives
- Company procedures and benefits

Following successful completion of the training program, a collection driver is assigned to a route and a route trainer spends several hours per day for up to six weeks before the driver is qualified to drive the route alone. During this period, the driver becomes familiar with the unique characteristics of his or her assigned route areas and customers.

CWS trains and requires their drivers to perform a pre-trip inspection prior to operating their vehicles and post-trip inspections prior to completing their day. These inspections are primarily related to safety equipment, such as brakes, lights, and tires on the vehicle. All required inspection checklists are filled out and signed by the driver. CWS has designed a specific form for each collection vehicle operated. CWS is proud that its own procedures exceed both State and Federal inspection guidelines. These inspection forms are filled out for the vehicle at the beginning of the day and a post-trip inspection is done at the end of the shift, as required by law. Drivers are trained not to take the vehicle on route until any concerns are addressed and cleared by the maintenance department. CWS has developed a specific vehicle operating form for its front loader, and roll-off trucks that requires drivers to explain any concern and certify that they thoroughly inspected the vehicle and properly completed the checklist before starting or ending daily collection duties.

Driver Proficiency

During the hiring process, prospective drivers are required to provide the company with a recent copy of their commercial driving record and drivers' medical certificate. An additional background investigation is performed by Employment Research Services, which contacts previous employers to review the applicants previous D.O.T. related performance. Once applicants complete other pre-hire requirements, they are evaluated in the field by an experienced collection supervisor. Drivers are then immediately enrolled in the DMV Pull Notice Program. Every CWS driver is incorporated into the company's Driver Safety Observation Program. In this program, drivers are observed without prior notice by the collection

supervisor, safety manager or operations manager approximately six times per year. The results of the observations are reviewed with each driver and used as a teaching tool for continued improvement. Drivers also participate in formal monthly safety training, which covers topics such as defensive driving; the nationally recognized Smith System Driver Safety Training Program may be implemented by CWS in the future to further hone our drivers' abilities.

Drivers are also trained to observe and report conditions and opportunities to improve safety, service, and solid waste diversion for their customers. These observation and opportunities area entered into the Tower software and customer database and can be used to recommend service enhancements.

Risk Minimization and Environmental Safety

CWS is committed to best practices in its operations and risk minimization to its personnel, the public, its equipment and the environment.

Management of Hazardous Waste and Universal Wastes

CWS's Hazardous and Universal Waste Protocol was developed to ensure employee safety, protect the surrounding community, and meet local, state and federal guidelines for handling hazardous and other prohibited waste discovered in incoming recyclables as well as hazardous wastes generated from facility operations and maintenance.

Ecology Recovery/Gary Tompkins, Chemist manages CWS's hazardous waste handling for unauthorized liquids and chemicals placed in the recycling stream at our MRF Facilities that need identification and/or additional assessment, including basic chemical qualitative test such as HAZCAT™, is conducted by Gary Tompkins .

- Ecology Recovery's comprehensive hazardous waste management plan includes:
- Control systems for hazardous waste storage and matter control
- Universal Waste (thermostats, batteries, & fluorescent light tubes
- Establishment of EPA Identification number
- Material manifests & profiling
- Lab Packing Segregation
- Bill of Lading Receipts
- Department of Transportation descriptions, Hazard Classes, Packing Group, Reportable Quantity, EPA Codes, State Codes, Emergency Response Number, EPA Identification Number

The CWS Protocol first sets the parameters to determine whether a material is hazardous or otherwise prohibited from being collected and processed. Drivers, inspectors at the facility and sorters are trained on types of hazardous, universal, and other prohibited wastes.

Typical waste types that fall under these categories are:

- Universal wastes
- Medical Wastes
- Paints
- Solvents
- Computer monitors and televisions
- Oxidizers
- Gasoline
- Compressed gas cylinders

- Pesticides
- Used oil and filters
- Car batteries
- Photographic and pool chemicals
- Fire extinguishers
- Pharmaceuticals
- Decommissioned and other radioactive material
- Florescent lighting tubes
- Flammable materials

Public education is an integral part of preventing hazardous and other prohibited waste from entering the recyclables stream. CWS proposes to provide information through our website and in written publications to residents pertaining to the proper material to set out. CWS proposes to use route auditors who will train and assist drivers to provide notice to and work with residents who happen to place prohibited material in the recyclables stream.

For CWS's load checking program to be effective, residents need to be informed of safe disposal options for accumulated prohibited waste. CWS will work closely with the City to educate residents on safe disposal options, including use of available Santa Clara County County's household hazardous waste programs and other collection options.

Educating customers is essential to minimizing potential contamination of recyclables and protecting worker safety. CWS will work to educate customers about hazardous and other prohibited wastes in the set-outs.

Drivers, tip floor employees, sort line personnel and all supervisors will have mandatory training and continuing education on hazardous and universal waste. Training is directed to address specific employee safety issues and includes the following as appropriate:

- Procedures for identifying prohibited materials and containers, including asbestos, PCBs, caustics, solvents, flammables, infectious wastes, etc.
- Notification and response procedures
- Record keeping requirements
- Education on the effects of hazardous substances on human health and the environment
- Overview of relevant regulations and definitions of prohibited waste
- Waste handling procedures
- Procedures and equipment for safety and emergency response
- Personal protective equipment
- Emergency response training

Drivers will be trained to look for hazardous, universal, and other prohibited wastes while collecting acceptable material. They will look for fluid or other signs that indicate potential presence of prohibited wastes. With any indication that material may pose a hazard or contain prohibited waste, drivers will steps out of their trucks to assess the situation. If the material is suspected of being inappropriate for collection, drivers will leave a notice. If necessary, drivers will immediately call a supervisor for assistance. In an emergency situation, drivers will request response from emergency services.

When a supervisor arrives at the address, a visual and physical assessment of material is conducted. The supervisor, wearing protective equipment, will examine the product label and observe physical signs such as material thickness, odor, and color. If the supervisor concurs with a driver, then the supervisor attempts to contact the resident. In the event that the resident cannot be reached, the supervisor verifies that an

education tag, including the CWS customer service number for further information, is left with the material. This notice will inform the resident to take advantage of the County's household hazardous waste program. The supervisor then notifies customer service staff of the situation and address.

When the collection vehicle enters the MRF, the driver unloads the truck in a specific area where a tip floor worker can visually scan the material. If the tip floor worker observes signs that the material may be hazardous or contain universal waste, then the physical assessment described above takes place.

If the material cannot be identified by sight or odor then additional assessment, including basic chemical qualitative test such as HAZCAT™, may be implemented.

To minimize the liabilities of landfilling hazardous wastes, recycling and treatment of prohibited wastes must be a priority. CWS's Compliance Team will collect any prohibited wastes discovered and convey those wastes to the designated location(s) for appropriate temporary storage.

Our facilities are equipped with the appropriate containers, signage and labeling for disposal of universal waste. CWS contracts for offsite transportation and disposal of such materials to a universal waste transporter. As part of the annual training plan, CWS provides personnel training to employees about the California Universal Waste Rule.

CWS's Spill Prevention Control and Countermeasures (SPCC) Plan is designed to prevent releases of oil and to mitigate the effects should an oil leak or spill occur. The facility plans are in accordance with regulations of 40 CFR 112. As part of our training plan we provide training to new employees and ongoing education with annual training of employees conducted to present updated information and to maintain a level of employee awareness regarding spill prevention and response.

CWS has a safety committee that meets monthly to review all safety procedures and address incidents that may have occurred, including those involving hazardous wastes. If there are no incidents to review, the protocol is generally considered on a regular basis to ensure that hazardous and universal waste protocols remain dynamic.

Environmental Review and Compliance, and Permitting Processes

CWS operations are subject to numerous environmental review, compliance, and permitting processes and the company has engaged in extensive efforts to comply with these requirements. CWS has a comprehensive understanding of Milpitas' environmental review and permitting process. This is important should facility upgrades be needed in response to changing conditions with Milpitas's recyclable- and organic and solid waste. Working cooperatively with City agencies, CWS will maintain compliance with these requirements. CWS monitors California waste regulators and other agencies, assists with AB 939 and AB 1826 planning issues and solid waste permitting concerns, and is experienced and attentive to reviewing its best practices to assure that it is compliant with all regulations and permitting restrictions.

Some of the regulations and requirements with which CWS complies, in addition to addressing environmental review and safety issues, include:

- California Environmental Quality Act
- Conditional use permit
- Hazardous materials business plan
- Hazardous waste generator requirements

- Load checking/ hazardous waste recognition
- Storm water pollution prevention plan
- Emergency response

CWS is committed to continuing full and aggressive compliance with the environmental requirements of managing recyclables. CWS will work closely with the City of Milpitas to assure compliance with all Federal, State, and Local regulations applicable to relevant activities.

2.K.2. Reporting

CWS will provide the City of Milpitas with consistent and detailed reports that clearly document recyclables tonnages, residue tonnages, quantities of materials diverted to other processors (including batteries, waste oil, and materials diverted for reuse), tonnages sold, purchasers of those materials, and other performance metrics, as discussed in this section.

CWS has a successful material tracking computer systems, and applications that have accurately recorded and reported material by origin and type from the City of San José for nearly a decade and City of Oakland greater than 20 years.

Recyclable materials processed through the CWS MRF facilities, alliance and approved alternative facilities will be tracked by inbound and outbound material types, designating both recyclables shipped to market and residual materials for disposal. These inbound and outbound volumes will be used to calculate the diversion and residual materials being shipped for disposal to calculate diversion for the recyclable stream.

CWS employs the Tower brand scale system software to track all inbound recyclables and routing into the MRF. CWS will track route statistics, which include all weight tickets for materials delivered to the MRF. CWS will enter all weight tickets that are direct-hauled. CWS will total monthly volumes by material types to summarize collection, processing, and disposal. This program provides accurate inbound and outbound weight of materials, by material type. Reports will be prepared for daily, monthly, quarterly, and annual achievements. Operating and report results will be used to evaluate the effectiveness of collection and public education programs and program modifications. Importantly, our reports system will enable CWS to forecast program needs and achievements into the future.

The schedule of required reports and a brief summary of the contents of each report category are shown ibn Table 12.

Table 12 CWS Reporting Requirements

Monthly City Reporting Content	
Tonnage Records	• Total tonnages collected for the month by route by material type. • Tonnage delivered to each Approved Facility by Customer and Material Type, subtotaling and clearly identifying those Tons that are Disposed and those that are Diverted. • Total Units of Used Oil, Used Oil Filters, E-Waste, U-Waste, and Bulky Items Collected by Customer Type and Units Recycled and Disposed. • Tonnage of Recyclable Materials Marketed (by commodity and including average commodity value for each) and Processing Residue Tonnage Disposed.

Monthly City Reporting Content	
	• Tonnage of Organic Materials Marketed and Processing Residue Tonnage Disposed. • Tonnage of C&D Marketed and Processing Residue Tonnage Disposed.
Revenue Report	• Provide a statement detailing Gross Receipts from all operations conducted or permitted pursuant to this Agreement as required by Section 8.1. • Maintain a list of Customers that are forty five (45) or more calendar days past due and include the following information for each delinquent account: name; service address; contact information; number of days the account is delinquent; method(s) the Contractor has used to attempt collection of the bad debt including date of such attempt(s); and, identification, if, and when the Contractor plans to or did stop service to a delinquent account. Provide this list only upon request of the City
Relational Database	• Data from all required reports for the term of the contract. The City will be provided full access to the database.
Quarterly Reports	
Customer Report	• Number of Customers by Customer Type. • Number of Containers at each Service Level by Customer Type and program summarizing the type of material Collected, total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of Drop Box and Compactor service by Customer Type. Report should calculate the average volume of service received per: Single-Family Customer; Multi-Family dwelling unit; Commercial Customer; and, C&D Customer. • Number of free and for-fee On-Call Bulky Item Collections by Customer Type. • Participation percentage by program and Customer Type where the participation percentage is calculated as the number of Customers who have subscribed to or requested service under the program relative to the number of Customers of that Customer Type subscribing to Solid Waste service. Contractor shall not be required to submit participant Customer names and addresses as part of the regular reporting; however, such information shall be provided to the City Contract Manager upon request. • Detailed Customer account data in Microsoft Excel format including, but not limited to: customer name, service location address, Solid Waste, Recyclable Materials, Organic Materials, and C&D Service Level information, contact name, address, and phone number. Such detail shall be sufficient for the City to verify Customers' compliance/non-compliance with the requirements of AB 341 and/or AB 1826. If necessary for compliance purposes, information shall be submitted on a monthly basis at the City's request. • Other reports required by the State or as may be required in the future related to the requirements of AB 341 and AB 1826. If City necessary for compliance purposes, information shall be submitted on a monthly basis at City request.

Monthly City Reporting Content	
Outreach	• Provide a status report of Contractor's actual activities completed compared to the annual public outreach plan. For each completed item, document the results including what date the activity was performed, how many Customers were targeted or participated, and what methods were used to accomplish the task, if different from the plan. • Summarize the Recycling opportunity assessments/on-site meetings provided to Customers (reporting Multi-Family separately from Commercial) by identifying the number of Recycling opportunity assessments conducted each month in the most-recently completed quarter, and contact information including address, contact names, telephone number of Persons contacted, number of units (for Multi-Family), and the Solid Waste, Recyclable Materials, and Organic Materials Service Level. Include any Service Level changes resulting from such site visits. • Dates, times, and group names of meetings and events attended.
Diversion Compliance	• Contractor's Diversion percentage rate for the quarter, calculated as total tons Delivered for Processing minus Residue tons divided by total tons Collected. • Contamination and Residue rates. • Listing of Multi-Family and Commercial Customers that are not in compliance with the requirements of AB 341 and/or AB 1826. Such list shall include, at a minimum, Customer name, service location address, Solid Waste, Recyclable Materials, and Organic Materials Service Level information, contact name, address, and phone number, and the date(s) Contractor provided a notice of non-compliance, and a complete description of Contractor efforts to inform, and to gain compliance by each listed Customer.
Pilot and New Programs (if applicable)	• For each pilot and/or new program, provide activity related and narrative reports on goals, milestones, and accomplishments. Describe problems encountered, actions taken and any recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.
Public Outreach Plan	• Pursuant to Section 4.9, as part of the Contractor's third quarterly report for the Rate Period, Contractor shall submit a plan outlining its public outreach efforts for the coming Rate Period.
Annual City Report	
Summary Assessment	• Provide a summary assessment of the programs performed under this Agreement from Contractor's perspective relative to the financial and physical status of the program. The physical status assessment shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in meeting all the goals and objectives of this Agreement, particularly the Contractor's Diversion goals. Provide recommendations and plans to improve. Highlight significant accomplishments and problems. Results shall be compared to other similar size communities served by the Contactor in the State, if applicable.
Vehicle Inventory	• Provide a listing of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model

Monthly City Reporting Content	
	year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
Recyclables, Organics, and C&D Markets	• Contractor shall include a listing of markets for Recyclable Materials, Organic Materials, and C&D and the end use of these materials. This type of information is intended to help the City gauge the sustainability of Recycling and Organics markets.
Cost-Based Rate Adjustment Data	• Contractor shall provide financials related Milpitas program.
Operational Issues and Activities	• Report on significant changes in collection service or processing operations, instances of property damage or accidents, scavenging, or other operational issues.
Event-Specific Requirements	
Special Events	• Within fourteen (14) calendar days of the end of a special event, Contractor shall submit a report to the City Contract Manager and event organizer documenting at a minimum: the number of event collection stations deployed at the event, the number of collection station monitors, the Tonnage of each material type (i.e., Solid Waste, Recyclable Materials, and Organic Materials) Collected, and a description of the public outreach conducted at the event.
Litter/Spillage of Materials	• Pursuant to Sections 5.3.B. and 5.3.C, Contractor shall discuss instances of repeated spillage not caused by it directly with the Generator responsible and report such instances to City.
Notice of Non-Collection	• Pursuant to Sections 5.3.H Contractor notify the City Contract Manager via email of Premises where materials are tagged by Contractor and not picked up, describing the type of material(s) and reason.

Monthly reports will be delivered to the City no later than fifteen (15) calendar days after the end of the prior month, Quarterly reports will be delivered no later than twenty (20) calendar days after the end of the reporting quarter, and Annual reports will be delivered no later than thirty (30) days after the end of each preceding calendar year. Monthly, quarterly and annual reports will be provided electronically in forms and formats that are acceptable to the City.

2.L. Corporation Yard and Maintenance Facilities

2.L.1. Vehicle Maintenance and Support

CWS will continue to use its fully equipped and modern 10th Street facilities and yard for equipment maintenance and repair for the new collection fleet, as well as other activities. The facility is currently the maintenance facility for our Oakland residential recycling vehicles and is capable of providing all maintenance requirements of the new commercial vehicles and accommodates other activities including:

- Truck maintenance and repair
- Container maintenance and repair
- Vehicle cleaning
- Container cleaning
- Vehicle fueling

- Truck yard
- Dispatch, driver training, routing
- Large and bulky item recycling
- Used motor oil & filter recycling

CWS will utilize existing, excess office space at its current facility located at 1820 10th Street, Oakland for management and administrative operations, including outreach and technical assistance, customer service, and billing functions until the new Oakland Gateway Facility becomes operational, at which point all operations will move to that site.

2.L.2. Berryessa Road Maintenance Facility

CWS will continue to utilize its fully equipped facilities and yard at 1120 Berryessa Road, San José, to support equipment maintenance and repair for the new Milpitas collection fleet, as well as other activities. This facility is currently the maintenance location for our San José fleet and is capable of providing all maintenance requirements of the new vehicles. It accommodates the following:

2.M. Street Sweeping

CWS will provide the required street sweeping services in a high quality manner as described in RFP Table 3-4, and in Section 4.15 and Exhibit O of the Franchise Agreement described in the following paragraphs. Residential streets will be swept twice a month and commercial and industrial streets will be swept four times a month utilizing vacuum trucks and recycled water. In addition, Sweeping will meet or exceed the City of Milpitas' established minimum quality assurance that at least 90% of all streets will be swept properly per year. Our goal is to sweep at 100% of the effectiveness level. Our goal is to sweep at 100% of the effectiveness level.

2.M.1. Scope of Work

Scheduled Service – CWS will provide scheduled services using modern TYMCO sweeping equipment. In residential areas, we will sweep twice per month, and in commercial and industrial areas we will sweep four times a month. We plan to follow the current routes so as not to interrupt expected schedules. Exceptions to the scheduled service in residential areas C, E, F, G, H, and J, as shown on Exhibit O-5, will be swept weekly during the months of November and December using vacuum-type units. In addition, street sweeping shall not occur on the following City holidays,

- New Year's Day,
- Monday observing Martin Luther King's Birthday,
- President Lincoln's Birthday,
- Monday observing President Washington's Birthday,
- Memorial Day,
- Independence Day,
- Labor Day,
- Veteran's Day,
- Thanksgiving Day and the day after,
- Christmas Eve, and,
- Christmas Day.

In the event a holiday falls on a Sunday, the following Monday shall be the holiday, instead. In the event a holiday falls on a Saturday, the preceding Friday shall be the holiday, instead.

Unscheduled Service- Before or after a major event, such as parades, fairs, etc., of any street or streets, or portions of streets, CWS will provide sweeping services at no additional cost to the City twice per calendar year. In the event that the CITY request unscheduled sweeping services more than two times in a calendar year, CWS will document and report the curb miles swept to be compensated accordingly.

Callbacks- In the event of a callback following CWS sweeping a section of street that was inadequately swept, we will return within two (2) business days to re-sweep the section in question at no additional charge. This will be reported to the city as part of our customer service program.

Operations

- Residential and mixed use areas will be swept between 8:00 a.m. to 5:00 p.m., Monday through Friday.
- Commercial and industrial areas will be swept between 12:00 a.m. to 8:00 a.m., Monday through Friday.

Following the current routing and schedule CWS can ensure that 100% of the designated streets are swept annually.

CWS estimates that at all times we will operate sweepers at no more than five (5) miles per hour, unless it can be demonstrated to satisfaction of City Contract Manager that the specified quality of service can be safely accomplished at a higher speed.

In the event of an emergency or unusual circumstance, CWS plans to notify the City within ten working days of said emergency to work out the sweeping strategy to complete those streets we were not able to service in a timely fashion. If we experience a breakdown, or other reason which prevents us from completing the daily scheduled street sweeping services, we will notify the City immediately with our plan for completing the sweeping as soon as possible.

As stated earlier, the CWS sweeping schedule will follow the current schedule; however, we know that routing will change as we propose to optimize routes utilizing street sweeping optimization software. CWS will provide the new optimized routes to the city within six months of service start date. Our initial schedule shall minimize changes to the existing schedule and the final approved optimized route versions will be inserted as the new Exhibit O-5 upon approval by the city. CWS research and experience has shown that optimizing routes reduces costs and increases safety by completing work as soon as possible. Route optimization takes into account truck size, speed limitations, one-way streets, frequency of sweeping, days and hours of service and much more information to effectively route the equipment.

Our drivers will perform pre-route inspections of the CWS-owned sweepers prior to leaving the CWS corporate yard at 1120 Berryessa Rd, San José, CA 95133. Upon leaving the yard, the sweeper trucks will travel to the appointed starting point of the day's route. As the sweeper travels the pre-determined path, it will eventually run low of recycled water or the body will fill with debris. When this happens, we propose to fill the water tank from one of the three recycled water fill locations in Milpitas. At the same location, or nearby, we propose to stage a locked dumpster where the driver will empty the street sweeping debris. In addition, we propose to use high dump sweepers. This combination of vehicle and strategically placed dumpsters will allow more time for the street sweepers to concentrate on cleaning and less time

driving to a processing facility. Our sweeper routes will follow one day behind the residential collection routes. This will avoid collection activities and street sweeping of any area of the City on the same day and maximize the impact of the sweeping. Where vehicles are parked on the streets when services are being performed, we understand we are to bypass said parked vehicles.

CWS sweepers will broom sweep and vacuum commercial and industrial streets and residential streets, except where there are heavy leaf concentrations, which make such methods less effective. In these locations we will vacuum sweep the heavy leaf concentrations.

Supervision

CWS will assign street sweeping as part of regular supervisor duties. The supervisor will visit the City on a daily basis during the first weeks of our operations. Once timings are set, the supervisor will visit the City at least once per week on a monthly basis. At least one time per month and more often if necessary, there will be a meeting between representatives of CWS and your City to assess performance and to seek ways to improve service. We will provide monthly reports. Our operators will check in with the designated city person on a daily basis to see if there are any complaints. If there are complaints, we will go out and re-sweep them immediately.

Operators

We will sweep the City utilizing operators that have been properly trained by the equipment provider. CWS is sensitive that street sweeping is a new endeavor for us; therefore, we have included equipment manufacturer provided training as part of our start up. Our equipment will be such that one pass will be enough in typical situations, and in order that the city will expect completely clean streets. It is also our experience that a route operator is more highly motivated to do a good job the first time if he knows he will get called back for "misses" or similar errors. Our CWS collection operators take great pride in not receiving any complaints and doing a good job the first time, and we would build the same culture in our street sweeper operations.

Outreach and Customer Service

CWS will provide full-page advertisements describing street sweeping schedules in the Milpitas Post twice yearly, in the spring and fall. On an annual basis, no later than January 15, we will provide a street sweeping calendar by service section to each single family household receiving street sweeping services. Households in residential areas C, E, F, G, H, and J will receive additional seasonal mailers no later than the last Monday of October. We anticipate there will be some route changes when we conduct our route optimization exercise; in this event, we will at a minimum provide informational door hangers to customers affected by route changes.

All customer complaints received shall be given prompt and courteous attention. Within three business days of receipt of any complaint, CWS will notify the City of schedule and plan for resolution of the complaint and for informing complainant of resolution, as applicable.

The CWS office in San José will be designated as the facility where we can be contacted and from which we will maintain radio contact with sweeping vehicles. We will have 8 customer service and 2 dispatchers available; it shall be equipped with sufficient telephones and shall have a responsible person in charge from 7:00 a.m. to 6:00 p.m., Monday through Friday.

Street Sweeping Estimated Statistics

Based on the current provider's reports in the RFP, we have provided our estimate of expected curb miles and debris volume as shown in Table 13.

Table 13 Milpitas Annual Street Sweeping

Measurement	Value
Commercial Miles	5,500
Commercial Cubic Yards	2,000
Residential Miles	5,200
Residential Cubic Yards	2,000
Total miles	10,700
Total Cubic Yards	4,000

Without actual street sweeping tonnage data, our research shows that the City should expect our sweeper to collect an average of 100 pounds of debris per curb mile for a total of 200 tons annually. All collected street debris shall be delivered to the applicable Approved Facility for Processing or Disposal.

CWS proposes that our Street Sweeping Team follow up on cars, trucks, trailers and boats left parked or abandoned in the public street for longer than 24 hours to help the Milpitas Police Department. It is not our intent to anger the public by notifying the Police of these vehicles, but rather getting these vehicles moved off the street. At times vehicles, campers, etc. parked or abandoned for long periods cause dirt and debris to build up, resulting in storm water backing into the street and promoting weed build up.

Recordkeeping and Reporting

CWS will maintain street sweeping records related to: curb miles swept using a broom odometer, or mileage only when cleaning and excluding driver mileage to or from an area; volume and/or weight of material removed for each cleaning day, and; areas needing more frequent routine sweeping or added sweeping prior to the rainy season.

We will post a daily report of curb miles swept and cubic yards and tonnage of debris collected on the our website for City access. Daily reports shall use the format specified in the RFP Exhibit O-4.

CWS will submit to City monthly reports on or before the twenty-fifth (25th) day following the end of each calendar month. Monthly reports shall use the format specified in RFP Exhibit O-1. In addition, monthly reports will contain completed forms found in RFP Exhibits O-2 and O-3 to track parked cars and low hanging trees that impede sweeping.

Equipment

Protecting the environment is critical to the sustainability of our planet and the conservation of precious natural resources. CWS will use late model TYMCO sweepers because CWS has a responsibility to that sustainability and continually strives to reduce the environmental impact of the work we do. TYMCO Regenerative AQMD Rule 1186 certified Air Sweepers use the least amount of water for dust control when compared to any other sweeper types mainly because of the centrifugal dust separator that removes the majority of fines from the air stream before the air is recycled. Water nozzles are specified that control

airborne dust instead of wetting the material as it lays on the ground, which often creates mud that can be smeared on the surface and left behind.

A combination of quality sweeper operators and quality equipment will enable us to perform the job of street sweeping very efficiently and cost effectively. Photo 40 shows the Tymco 600 Autocar Xpert, the proposed vehicle for scheduled sweeping services adequate to accomplish the sweeping effectively (broom and vacuum units). All CWS sweeping equipment will have proper safety markings in accordance with California Vehicle Code and subject to approval of City Contract Manager. These safety features will include, but are not limited to, highway lighting, flashing and warning lights, clearance lights, warning flags, and back-up warning devices.

40 2016 Tymco 600 Autocar Xpert

Equipment will have a wheelbase small enough to go between parked cars to sweep a minimum length between cars of eight feet. Each vehicle will be equipped with mobile radios and hour meters. Our equipment will provide a minimum sweeping path of 72 inches and be capable of removing street debris, which lies in this path. We propose to sweep at speeds that will minimize the amount of streaking. Each vehicle will have a dust control system that will be utilized at all times during sweeping operations. All vehicles will have sound control devices and shall comply with Milpitas Municipal Code - Chapter 213, Noise Abatement. CWS will tare weigh all vehicles upon initiation of service for the City with weights provided to all Approved Facilities used for street sweeping debris Processing or Disposal. We will provide the City with a report listing the vehicle tare weight upon request. Should the need arise for replacement sweeper we will promptly weigh additional or replacement vehicles prior to placing them into service. CWS checks tare weights annually, and upon request of the city within fourteen days, and we will re-tare vehicles immediately after any major maintenance service.

In order to provide the best, most modern, safest and most efficient services to Milpitas customers, all CWS equipment and vehicles will be high quality, and street sweeping vehicles will be newly manufactured 2016/2017 vehicles. They will be designed and operated to prevent collected materials from escaping the vehicles; hoppers will be closed on the top and sides with screening barriers to prevent collected materials from leaking, blowing, or falling from the vehicles. All trucks will be watertight and operated such that no liquids spill while sweeping debris is being collected.

Additional information regarding the vehicles to be purchased is provided in Attachment 8.

All CWS vehicles will be in full compliance with local, state and federal clean air requirements that have been or are pending for the contract period, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in CCR Title 13, Section 2021 et seq and the Federal EPA's Highway Diesel Fuel Sulfur regulations.

41 CWS is already learning about street sweeping; in this photo we took in Milpitas, the curb brush is not cleaning properly and the streaking water shows improper settings on the sweeper. CWS will run the curb brush sweepers at the slowest possible speed to ensure proper cleaning.

All street sweeping vehicle windows, mirrors and cab interiors are cleaned daily by their drivers. Exterior cleaning is performed weekly, and washes will be conducted in a manner that conforms to the California Storm Water Quality Association (CASQA)'s BMP Guidelines for Non-Point Source Pollutants. Painting and signage replacement will be conducted as needed as fading or chipping occurs. Trucks will be inspected daily both pre- and post-trip by drivers and weekly by maintenance personnel for any damage to the exterior that may require repair. Preventive maintenance service will be performed on all vehicles according to manufacturer specifications. CWS will maintain street-sweeping vehicles in a clean condition and in good repair at all times, and ensure that no debris will blow, fall out, escape or leak out of the vehicle.

All street sweeping vehicles will have City-approved signage on each side and the rear to clearly state that it is servicing the City of Milpitas, provide CWS's name and telephone number, and display the Milpitas Recycles logo and vehicle identification number. The vehicle will also have space for poster advertising to promote the recycling and diversion programs. CWS will repaint all vehicles (including vehicle striping) as frequently as necessary to maintain a positive public image.

GPS

CWS equips its trucks with Global Positioning Satellite (GPS) system. CWS's dispatchers monitor all of the real-time data. This permits CWS to monitor the driver's speed, time and location.

2.M.2. Alternative Fuel Use

As emission standards become more stringent, alternative fuels have become increasingly popular for use in heavy-duty engines. Many proponents of alternative fuel use cite resultant lower maintenance costs, U.S. EPA emissions standards compliance, improved air quality, quieter streets, and increased U.S. energy independence compared with traditional petro diesel fuel use. In its ongoing commitment to environmental responsibility, CWS's Milpitas street sweeping trucks are currently planned to be fueled by compressed natural gas (CNG). CWS already successfully operates half its fleet on CNG.

The City of Seattle has found that CNG solid waste fleets are seeing decreased maintenance costs, and cleaner vehicles, as their CNG solid waste trucks do not require as many add-ons for emissions control,

including DPFs (diesel particulate filters), EGR (exhaust gas recirculation), and urea-based selective catalytic reduction systems. The City of Seattle has also reported that drivers find trucks easier to operate because they do not have to worry about regeneration as they would with diesel trucks.

Although CNG vehicle acquisition cost is higher than for diesel trucks, the costs are offset by lower and more predicable fuel costs, and lower maintenance costs. The City of Seattle has stated that estimated payback for their vehicle acquisition is less than two years, and less than three years if including infrastructure costs including installation of a fueling station. McNeilus Companies estimates that a minimum fuel savings of $15,000 per year per vehicle can be achieved by switching from diesel to a CNG powered solid waste vehicles, considering conservative estimates for fuel costs and without accounting for additional savings due to tax credits or fuel rebates.

The reductions in environmental impact and emissions achieved by converting fleets from diesel to biodiesel or CNG are significant. Vehicles utilizing these alternative fuels produce less carbon monoxide, fewer volatile organic compounds and lower levels of particulate matter and carbon dioxide when compared to traditional diesel trucks, causing less smog and fewer human health impacts. A U.S. Department of Energy study showed that using CNG in solid waste vehicles instead of diesel fuels results in an estimated 22 percent fewer greenhouse gas emissions per truck annually. See Table 7, above, for information on emission reductions for CNG vehicles compared to diesel vehicles.

Benefits to the City of Milpitas of a CNG-powered fleet:

- Noise reduction: CNG-powered solid waste truck engines are significantly quieter than those of diesel solid waste trucks. Diesel-powered solid waste trucks can generate noise levels as high as 100 decibels, which is high enough to cause permanent hearing damage – quieter natural gas trucks protect workers from hearing damage
- Independence: Natural gas is a domestically abundant fuel and every truck powered by natural gas enhances our energy and economic security by reducing our national reliance on foreign oil
- Human health: The US Environmental Protection Agency (EPA) estimates that occupational exposure to diesel exhaust increases the risk of lung cancer between 20 and 50 percent
- Cost savings: Other cities throughout California and the U.S. have realized significant savings and environmental benefit from conversion to CNG-fueled solid waste fleets. Columbus, Ohio saved $33,600 each year on fuel costs from each of its natural gas solid waste trucks.
- Air emissions: The City of Los Angeles Bureau of Sanitation recorded a 23 percent reduction in nitrogen oxide emissions with the use of natural gas in its fleet. Seattle's waste management fleet added 106 CNG vehicles to its fleet of collection vehicles as replacement for older diesel models and saw a 20 percent reduction in greenhouse gas emissions using natural gas trucks over the life of the truck
- Systems: As part of CWS's CNG fuel offering, CWS will install its own CNG fueling station. CWS is willing to share its fueling facility with other private or public CNG fuel users to expand the use of this low emission fuel.

CWS is a demonstrated leader in achieving the most environmentally friendly solid waste collection fleet in the history of San José. In 2007, CWS implemented use of alternative low sulfur fuel on all new collection trucks; investing in this new and expensive technology before any other solid waste firm in the United States and two years ahead of U.S. EPA requirements. We further reduced overall emissions by upgrading fuel

to biodiesel in 2014. CWS has continued and will continue this leadership position with regard to advanced and alternative fuel low emission vehicles and equipment in the City of Milpitas.

2.M.3. Vehicle Maintenance

CWS is proposing to purchase new street sweeping vehicles from Coast Counties Truck and Equipment Co. with a ten-year comprehensive warranty. This warranty covers all major maintenance items. During the warranty, these major warranty repairs will be performed at their facility located in San José. This is a large facility with ample room for staging equipment prior to delivery. The service and parts departments are open from 8:00 a.m. to 5:00 p.m. Monday through Friday. During the contract period, CWS will perform oil changes and other preventive maintenance functions according to the schedules provided by equipment manufacturers and Coast Counties. The goal of CWS fleet maintenance is to minimize unscheduled repairs. CWS will keep vehicles maintained on schedule in keeping with fleet operation best practices.

Road service will be performed by Coast Counties and CWS estimates a response time of no more than 60 minutes for replacement vehicles to be put into service. The specific time for any replacement will be influenced by breakdown location and traffic conditions at the time. Replacement street sweeping vehicles will be dispatched by CWS from the vehicle storage yard. Should an in-service vehicle breakdown occur the operator would notify the CWS Street sweeping Supervisor who will generate a Service Order that is transmitted to fix the vehicle.

CWS will maintain an industry standard reserve spare vehicle ratio to be placed into service in the event regular route trucks experiences breakdowns. At all times, reserve street sweeping equipment, corresponding in size and capacity to the standard fleet and equipment used by CWS for this contract, can be put into service and operation within one hour of breakdowns.

CWS estimates that Milpitas tire service or replacement response time will be a maximum of 60 minutes.

Major item repair records will be generated and maintained by Coast Counties using automated fleet maintenance software. These repair records will be transmitted to CWS so that the Street sweeping Supervisor has a complete file on each vehicle, can predict availability and anticipate issues.

Per the Agreement, CWS will keep a maintenance log for all street sweeping vehicles, available to City staff upon request, that includes each vehicle's assigned identification number, purchase, or initial lease date, routine maintenance performance dates, and additional maintenance dates and descriptions. Each year, CWS will report to the City its record of street sweeping vehicles and major equipment; assigned identification numbers, DMV license numbers, chassis and body ages, type of fuel used, type and vehicle capacities, number of vehicles by type, acquisition date, decibel rating and maintenance status.

2.M.4. Financing Method

CWS will finance street sweeping vehicles and containers through a line of credit from the MUFG Union Bank, located in Los Angeles, California.

2.N. Implementation Plan

Provided in this section is our proposed and detailed transition plan for provision of the services set forth in the RFP. This transition plan will demonstrate CWS's ability to implement all necessary procedures and ensure a seamless transition for the residents of Milpitas.

Since CWS currently collects recyclables from Northern California and focuses in the areas between San José and Oakland, adding City of Milpitas collection and processing services to CWS's existing operations represents an expansion of service as opposed to startup of a new operation. CWS's local, friendly and successful services will minimize service disruptions, given our company's existing Bay Area collections knowledge base, including Santa Clara County. As an experienced, dedicated and successful service provider, CWS provides long-term working knowledge of the Bay Area collections to ensure that transition with CWS will be less complex and impactful for customers than might transition with a new contractor that is unfamiliar with the city. In 2007, CWS won public praise and recognition from the City of San José City Council for its leadership in executing the smoothest transition for services that the City and its citizens had ever experienced during the 14-year history of the City's Recycle Plus program, referenced in the certificate of commendation in Attachment 3.

CITY OF SAN JOSE
Commendation

WHEREAS: The Recycle Plus Transition Team included representation from the City, California Waste Solutions, Garden City Sanitation, GreenWaste Recovery, Green Team, Necal, R3 Consulting Group and Bearing Point; and

WHEREAS: The Team worked diligently and collegially to ensure that critical milestones for facilities, equipment, operating systems, data transfer, staffing and community outreach were met; and

WHEREAS: The Team devised extensive contingency plans with both the outgoing and new haulers to anticipate and manage any potential startup issues; and

WHEREAS: The Team executed the smoothest Transition to new haulers in the 14-year history of the Recycle Plus Program;

NOW, THEREFORE, I, Chuck Reed, Mayor of the City of San José, and my colleagues on the City Council, do hereby recognize and give special tribute to

CALIFORNIA WASTE SOLUTIONS

for outstanding foresight, organization, teamwork, collaboration, and achievement.

Chuck Reed
The Honorable Chuck Reed
MAYOR

Attested to by:
Lee Price
Lee Price, City Clerk

42 San José Certificate of Commendation

With CWS's proposed collection service, customers will be able to add a wide variety materials to their recycling cart and divert many other materials from disposal, as well. With CWS's proposed street sweeping service, customers will not experience a service interruption as we will seek to follow the same routes and sequence of sweeping the City presently follows. Our goal is to minimize disruption to residents caused by changes in the schedule that are not necessary. CWS will inform customers of the new service provider and deliver customer communications and education through mailings, web and social media outreach and events throughout the City, while making efforts to ensure that all customers receive the service configuration laid out in the RFP.

A well-managed transition is critical to establishing the foundation for a successful franchise. During transition, the people, systems, procedures, and resource application crucial for a smooth running franchise will be put in place. During the transition period, all aspects of collection and street sweeping will be addressed including customer service, worker health and safety, work quality, staffing, skills, vehicles and equipment. Our team will prioritize the resolution of any start-up issues. CWS will utilize the transition period to identify and make service improvements. Baseline data, including service needs, will be measured and used to guide development of and to complement a comprehensive public education and outreach program. This approach will result in greater recycling and solid waste diversion and sweeping efficiency. CWS will work diligently with all parties to accomplish a seamless transition.

2.N.1. CWS Transition Team

The CWS Transition Team is the centerpiece of our success, and will be a partnership composed of internal CWS staff and, for the purposes of transition only, solid waste and associated professionals, J.R. Miller & Associates (www.jrma.com), Kneal Resource System, and Gershman, Brickner & Bratton, Inc. The CWS Transition Team will be led and fundamentally directed by CWS President David Duong.

Team members will meet as planned and will be in consistent communication to ensure a successful transition. The principal contact for communications with the City will be CWS's Transition Manager Joel Corona. Information about meetings with City staff and others, updates on transition status, data needs, policy issues, and other pertinent information will be shared electronically as appropriate.

Transition Manager

The CWS Transition Manager will effectively oversee and manage all work in the transition efforts, establish accountability for quality, work closely with the City through a series of formal/informal communication approaches and conduct meetings in a timely manner. He will plan, coordinate, monitor, and direct all of the transition tasks in concert with other appropriate CWS Transition Team members and review all draft transition reports to ensure consistency of professional quality and performance prior to final submission to the City. An established format for transition reports will be uniformly applied and agreed upon by the City early on in the Transition effort. Weekly meetings with City staff will be scheduled for a period two weeks prior to and six weeks following the start of the franchise.

Formal and informal communications with the City will be essential components of Transition management. Formal communication will include written monthly progress reports to the City summarizing the percentage of work completed to date and, where applicable, any problems/difficulties encountered as well as a forecast of upcoming activities based on the CWS Transition Schedule. These reports will be generated by the CWS Transition Team using Microsoft Word and delivered to the City by e-mail. The e-mail, with any supporting documents, will be delivered by the tenth day of the month following the reporting period. A hard copy will follow by mail. In addition, because of the type of project and transition timeframe, a series of regularly scheduled meetings between the CWS Transition Manager and selected members of the City of Oakland Transition Team throughout the transition period are suggested and noted in CWS's detailed Transition Schedule.

Customer Service Coordination

During Transition, CWS will enhance the capabilities of its nearby San José-based customer call center to best serve its new customers in the City Milpitas. Our Customer Service staff are trained to treat residents calling in with the utmost professionalism.

The Customer Service staff will be increased to a total of 4 people to easily support the Milpitas services and handle calls coming in from new customers. During Transition, CWS will advertise for the new staff and conduct interviews. This and the other individual tasks to expand the CWS customer service staff are shown on the schedule in Attachment 9. CWS will also work with the City to assure that information between the City frontline customer staff and the CWS call center is perfectly integrated. CWS has reserved several phone numbers to use for the City of Milpitas. We're currently working with our telephone provider to secure a catchy call-in number that's easy to remember...

CWS will upgrade the existing customer center with an adequate number of phone lines to ensure great service and contract compliance, adequate high-speed internet access, and any modifications to the CWS customer service software system, which allows the interface with City work order information. This will follow the schedule shown in Attachment 9. Training of existing staff on the new system and the additional customer service staff will be completed fifteen days before the first collection

The systems will be modified and tested and Customer Service Staff completely trained on their use before the first collection takes place. A redundant back-up system will be in place so that the customer call center can still service residents in the event of an emergency.

2.N.2. Customer Experience Assurance

On September 6, 2017, customers will have the collection completed and their streets swept by CWS. Trained employees, a solid customer service center and a Media Transition Kit will prevent most problems

to a large degree, but not all of them. For example, some residents currently know exactly when their recycling and garbage collector comes by their house and, despite information on new times, may place their carts out just before the previous collection time. When the new service begins, the new contractor may complete routes differently, hence the time of the residents' collection may change. This typical situation results in increased calls citing missed collection. CWS will have a Customer Collection Assurance team that will have crews in satellite collection vehicles collecting such incidents during the initial period of the contract until the customers become accustomed to their new collection schedule. With regard to street sweeping service, customers will not experience a service interruption as we will seek to follow the same routes and sequence of sweeping the City presently follows. Our goal is to minimize disruption to residents caused by changes in the schedule that are not necessary.

CWS understands that customer service response will be greatest in the first few months of the new franchise, so we will hire additional temporary employees over the transition period.

2.N.3. Timeline

Once the City of Milpitas executes the Franchise Agreement with CWS, CWS will initialize modification of its infrastructure and begin the process of purchasing the collection and street sweeping equipment proposed herein. Then, on Wednesday, September 6, 2017, residents in Milpitas will have their solid waste, recyclable, organic material, and other materials collected by CWS according to their current schedule. Additionally, street sweeping services will start on this date. CWS will have implemented the transition seamlessly and in the professional manner expected and required by the City of Milpitas.

A Gantt chart provided in Attachment 9 details transition activities from award of contract to implementation. Key CWS managers will work with the City through all aspects of the transition, which can be categorized as follows:

1. Transition Management
2. Personnel hiring and training
3. Detailed collection and sweeping routing
4. Education and outreach campaign development and implementation
5. Customer service coordination
6. Customer experience assurance
7. Carts/bins acquisition and delivery
8. Third-party service contracting for special wastes completed
9. Street sweeping equipment, delivery and training
10. Service begins

43 Cart Delivery

CWS proposes amending Chapter 200, Title V of the Milpitas Municipal Code as well as other relevant provisions of the Code prior to the September 6, 2016 commencement date of the Franchise Agreement to update the Municipal Code to reflect changes in State law pertaining to solid waste that are not yet reflected in the Code and to conform the City Code to the terms and conditions of the Franchise Agreement.

2.N.4. Transition Outreach and Education

Beginning in the third quarter of 2016, CWS will begin working with the City to review and update the overall service implementation plan and confirm the transition period public outreach and education program. This outreach will include, but may not be limited to the following:

- Coordination with the City to finalize the public outreach and education program to be inclusive and consistent across all service areas;
- Initiation of a branding exercise in close coordination with the City;
    - Participation in community and media information events;
    - Community-based analysis to better understand local perceptions and attitudes.
- Working collaboratively with the City to develop highly visual and culturally appropriate informational tools and materials;
    - A high-quality website with an abundance of information on the new collection services, tips for appropriate sorting and other opportunities to support waste reduction goals through changes in habits. The website will be fully accessible to the disabled, mobile devices, with critical information available in Spanish, Chinese and Vietnamese. The site will be easily shared on social media platforms. This will help residents to prepare for the transition and access important customer service information during transition. CWS has reserved two easy-to-remember URL www.milpitasrecycles.com and www.milpitas.green, which the City can choose to activate. That URL will re-direct to the CWS website, www.calwaste.com/Milpitas.
    - An introductory mailer to customers notifying them of the new collection service and providing CWS contact information and links to educational materials regarding CWS services and the City of Milpitas waste reduction program. The new public education packet will describe available services and schedules. It will include educational materials detailing, in multi-lingual text and universal images, acceptable and non-acceptable materials for recycling, including programs to manage recycling batteries, used motor oil and filters, and used cooking oil. It will also contain CWS contact information.
    - Informative decals embedded in all new carts and bins that illustrate acceptable and non-acceptable waste and recycling items in English, Spanish Chinese and Vietnamese. In later stages of the program, decals in other languages spoken in Milpitas may be developed and distributed based on data about recycling habits in different communities.
    - A reminder tool (like a magnet or similar) to help residents remember their street sweeping schedule.
- Implementation of other appropriate activities to extend the reach of the transitional public outreach and education program
    - E-mail and social media such as Facebook and Twitter may be used to inform, educate and support customer connectivity to service opportunities. These media could provide a range of information including suggestions about parent-student school projects, notification about participation achievement for different neighborhoods, business diversion program support, commercial customer resources, and service holidays.

New Collection Services Implementation Tasks

- Proposal due October 27, 2015.
- Selection of contractor, December 2015.
    - CWS will immediately organize opportunities to meet with the City of Milpitas at its earliest convenience to discuss the Collection and Processing Franchise Agreement.
- City of Milpitas conducts and completes negotiations with CWS, March 2016.
    - CWS will complete the Collection and Processing Franchise Agreement and provide the required bonding, insurance, and other contractual mandates.
- City of Milpitas approves the Collection and Processing Franchise Agreement, June 2016.
    - CWS proposes coordination meetings weekly with the City of Milpitas to establish continued proactive communications among all stakeholders.
- Hold kick-off coordination meeting.
    - CWS will work closely with the existing franchisee to ensure a seamless transition of account information and expand CWS customer profiles.
- CWS will work with the City and other contractors to introduce the new collection and street sweeping services to the public, as described in the Transition Outreach and Education subsection, above.
- Container mobilization for carts and commercial roll-off bins.
    - CWS will direct the container manufacturers to ship carts to a central staging area. The local distribution company will deliver containers prior to the start-up service date.
- Order trucks
    - CWS will purchase the necessary new trucks. Per the transition schedule, all service trucks will be on-site 30 days before startup.
- Corporation yard and maintenance facility.
    - CWS will make necessary upgrades to the Berryessa maintenance yard and facilities, and prepare the site for service expansion. This facility will host any new service personnel and be ready six months prior to the start of new services. CWS will also ensure that its vehicle management facilities are well prepared and ready for vehicle parking.
- Driver and support staff training
    - CWS will seek to hire existing drivers knowledgeable of and familiar with the City, and provide training on new service requirements and assignments. Drivers will be trained to use the collection and street sweeping vehicles and equipment. Training will start at least 30 days prior to start-up of new services. Training will be held on weekends and evenings to ensure driver availability.
- New vehicles and route familiarization
    - CWS will design and print materials for the route work and set up logs, computer data files and report formats. Familiarization runs, using new equipment under simulated adverse conditions, will also be initiated.

- Delivery of new carts to customers, including another set of informational materials.
- Beginning of new services September 6, 2017

This page intentionally left blank

.

3. Technical Proposal for Alternative Services

3.A. Single-Family Solid Waste Cart-Only System (Required)

CWS proposes that single family dwellings (SFD) shall use rolling carts for collection of solid waste, similar to with recyclables and yard waste. Small multi-family homes with 2 to 4 units may choose to use either the carts service or bins.

For cart service, CWS will initially provide a default cart sizes of 64 gallons. These may be changed after the transition as needs are realized, or sooner under certain conditions (such as restrictive space limitations). The goal for providing default cart sizes is to assist customers at right-sizing carts by identifying their actual, not perceived, needs. The optional carts will be to down-size to 32-gallons or upsize to 96 gallons. Table 14 shows how the solid waste cart would be part of a 3-cart system.

Table 14 Default and Optional Cart Sizes for SFD Collections

Single Family Residential Cart Service	Default Cart Size	Optional Cart Sizes
Solid Waste Cart	64 gallon	32 and 96 gallon
Recyclable Materials Cart	64 gallon	96 gallon
Yard Waste and Food Scraps Cart	64 gallon	96 gallon

CWS feels strongly that this alternative is an optimal choice for the City of Milpitas—indeed, for any customer. As noted by the EPA[5] and in our own experience, use of universal rolling carts provides the following benefits:

44 This photo shows the current streetscape in Milpitas, with a combination of different carts and cans. Uniform set-outs with CWS's 3-cart system will improve aesthetics.

- Reduced injury risk: Increased automation typically reduces work-related lifting injuries as well as puncture wounds and lacerations.
- Reduced vehicle needs: Fully automated collection increases (by up to 300 percent) the number of households served per worker, per hour. This increased productivity typically results in a smaller vehicle fleet.
- Decreased labor needs: Automated collection reduces crew size per truck.
- Reduced environmental impacts: Automated collection means fewer trucks, lower fuel usage, fewer air emissions, and fewer traffic and safety impacts on community streets.
- Reduced tipping fees: Carts with lids help keep water, ice, and snow from set-outs, which also helps control the weight of set-outs and decreases tipping fees.

[5] "Collection Efficiency Strategies for Success," U.S. Environmental Protection Agency EPA530-K-99-007, 1999.

- Improved neighborhood aesthetics: Uniform containers eliminate unsightly set-outs. Containers with lids are less likely to be tipped over or torn apart by animals, reducing litter potential.
- Reduced public health risks: Containers with lids help mitigate odor and health concerns.

45 Example of an "extra trash" set-out with sticker
Photo by Chef Containers

The City indicated that this alternative proposal must provide an "unlimited" element. CWS proposes a pay-as-you-throw system of stickers to be adhered to overflow bags of solid waste, which customers may generate from time to time. In the first billing mailing of each calendar year, each customer will receive five pre-paid stickers for overflow or "extra trash." Customers may use their own bags and apply a sticker to such bags if and when they generate more waste in a week than will fit in the rolling cart. If customers need to purchase additional stickers during the year, they can do so online or in-person. In this way, customers can set out as much as they need to without limit as long as they have stickers to do so. "Extra trash" stickers currently used in cities near Milpitas cost $6.25 each.

If CWS's sophisticated customer information system shows that a customer is repeatedly in need of additional solid waste set-out capacity, either because they repeatedly buy stickers or set out extra bags improperly, CWS will work with the customer to help them recycle more or, if the household simply needs greater capacity, right-size their container(s) in order to avoid overflow and normalize collections.

All operational parameters, including container types (other than customer-provided) and collection vehicles are the same as in the base proposal found in Section 2.A. Collection would be once-weekly. Pricing for this alternative is provided in Section 6.A.2.

3.B. Single-Family Food Scraps with Yard Trimmings (Required)

CWS proposes a single-family program where yard trimmings and food scraps will be placed into one organic material collection cart. The organic material collection cart is one part of a three-cart service system for SFD; buildings with two to four units may select either a cart service or bin service.

For cart service CWS will initially provide default cart sizes of 64 gallons. These may be changed after the transition as needs are realized, or sooner under certain conditions (such as restrictive space limitations).The goal for providing default cart sizes is to assist customers at right-sizing carts by identifying their actual, not perceived, needs. The optional carts will be to down-size to 32-gallons or upsize to 96 gallons. It is understandable that the size of organic material carts are directly related to the amount and type of landscaping and food at the residences. Table 14 (above) shows how the organics cart would be part of a 3-cart system.

All operational parameters, including container types (other than customer-provided) and collection vehicles are the same as in the base proposal found in Section 2.A. Collection will take place at least once weekly. Pricing for this alternative is provided in Section 6.A.2.

3.C. Multi-Family Yard Trimmings Collection as Mandated by AB 1826 – Post 2017 (Required)

CWS proposes a yard trimmings (organics) collection system for multi-family dwellings (MFD).The organic material collection cart would be part of a 3-cart system for multi-family buildings with five or more units (smaller buildings function the same as SFDs, operationally). Such facilities may select either green rolling

carts or larger metal bins. This would be to fulfill the requirements of Assembly Bill 1826, with which we are very familiar, and as described at http://www.calrecycle.ca.gov/Recycle/Commercial/Organics.

In October of 2014, California Governor Brown signed AB 1826, which was codified as Chapter 727, Statues of 2014. This law requires businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. It also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including multi-family residential dwellings that consist of five or more units. Organics include food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste. Unlike businesses, MFDs are not required to have a food waste diversion program.

The services engaged by MFDs to manage organics are influenced by several factors, including:

- Laws like AB 1826;
- Landscaping services which remove yard trimmings from the site at the time of generation and outside of the property's "trash" service; and,
- Variations in the amount of food scraps generated by residents and in their interest in participating in diversion programs.

CWS recommends that the City of Milpitas first embrace the letter and spirit of AB 1826 for assuring that all properties properly recycle their yard trimmings, and then at a later time determine whether or it wishes to include food scraps into that organic recycling program. At that future time, CWS will engage with the City about food scraps to create and establish an effective and efficient food scrap program. CWS will provide examples, recommendations, consideration, price and solid waste diversion modeling for such a program based on the City's desire and schedule.

Until that time, CWS will take a lead role with the multi-family property owners, property managers, home owners associations (HOA's) and the City to record and report multi-family organics recycling achievement. CWS will accomplish this by working directly with property management companies to develop and maintain relationships before, during, and after the solid waste services transition.

Addressing the specific need for organic collection service at each multi-family property will be a key and initial task that CWS will begin immediately after earning the award from the City of Milpitas. That task list is as follows:

1. Contact all multi-family properties that are obligated to participate in an organics recycling service, by AB1826
2. Ascertain each level of organic recycling service for such multi-family properties
3. Record and report properties that achieve or have opportunity to comply with AB1826
4. Determine, advise and implement programs that enables each multi-family properties achievement of AB1826 compliance
5. Initiate organic recycling service that maintains the multi-family properties compliance with AB1826

CWS envisions that this process will take approximately 3 months to complete. CWS will engage with adding food scraps at a time when either the multi-family customer, City or law require that service complement.

CWS is firmly committed to this effort because we believe that all residents, including those in apartments and condos, should be able to enjoy the same opportunity to contribute to recycling and solid waste diversion as those living in SFDs.

All operational parameters, including container types (other than customer-provided) and collection vehicles are the same as in the base proposal found in Section 2.A. Material will be collected 1 to 6 times per week, as appropriate. Pricing for this alternative is provided in Section 6.A.2.

3.D. Commercial Yard Trimmings and Food Scraps Collection as Mandated by AB 1826 – Post 2017 (Required)

CWS proposes a yard trimmings and food scrap material collection program using appropriate options of carts, bins, and boxes. The contribution that commercial locations—especially those related to food service and hospitality—can make to solid waste diversion is significant. Markets for handling and recycling food scraps are established and continue expanding. California Assembly Bill 1826 (AB 1826) requires organic recycling for many commercial customers, as described by Cal Recycle.

In October of 2014 Governor Brown signed AB 1826 requiring businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. This law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses. Organic waste means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste. This law phases in the mandatory recycling of commercial organics over time. The minimum threshold of organic waste generation by businesses decreases over time, which means that an increasingly greater proportion of the commercial sector will be required to comply.

The services engaged by MFDs to manage organics are influenced by several factors, including:

- Laws like AB 1826;
- The amount of yard trimmings and food scraps generated by businesses;
- Landscape service that removes yard trimmings and delivers organics to a MRF as part of its service; and,
- Competing solutions for commercial food scraps.

At this time most commercial customers have landscape contractors that already remove and recycle yard trimmings as part of their service. Few solutions compete for food scraps, and food scraps are the most important and influential stream for achieving new diversion in the commercial space. CWS recommends that the City of Milpitas first embrace the letter and spirit of AB1826 for assuring the appropriate recycling services for yard trimmings and food scraps. CWS will engage with the City and customers about both yard trimmings and food scraps as soon as CWS is awarded the franchise. We have collection and reserved processing capacity for both yard trimmings and commercial food scraps, although, we will appropriately focus attention at working with commercial customers to introduce, orient and initiate food scrap programs.

CWS will take the lead role with the commercial customers, property management companies and City to record and report yard trimming and food scrap (organics) recycling achievement; CWS will establish and maintain relationships before, during and after the solid waste services transition.

Addressing the specific need for organic collection service at each commercial customer will be a key and initial task that CWS will begin immediately after earning the award from the City of Milpitas. That task list is as follows:

g) Contact all commercial customers and property management companies that are obligated to participate in an organics recycling service, by AB1826
h) Ascertain each level of organic recycling service for commercial customers
i) Record and report properties that achieved or have opportunity to comply with AB1826
j) Determine, advise and implement programs that enables each commercial customer achievement of AB1826 compliance
k) Initiate organic recycling service that maintains the commercial customer compliance with AB1826
l) CWS will initiate an organic recycling service by providing site and equipment surveys, working with City Staff colleagues at planning and permitting, and installing the appropriate equipment which enhances services and minimizes inconveniences for the customer.

CWS envisions that this process will take approximately 3 months to complete.

CWS is firmly committed to this effort because we believe that diversion of organics by businesses and other commercial generators is crucial for waste diversion efforts in California.

All operational parameters, including container types (other than customer-provided) and collection vehicles are the same as in the base proposal found in Section 2.A. Material will be collected 1 to 6 times per week, as appropriate. Pricing for this alternative is provided in Section 6.A.2.

3.E. Temporary Debris Box Service (Required)

CWS will provide the City of Milpitas reliable and attentive temporary debris box and bin service as it continues to do in other communities in the Bay Area and in Santa Clara County. We understand that temporary debris box service is a nonexclusive service in the City of Milpitas and customers have a variety of options service. CWS will offer a scheduled on-call service that can provide for the collection of a variety of recyclable and non-recyclable materials. A critical part of our debris box service will be that yard trimmings, food waste, recyclable materials, and solid waste will be delivered to their respective MRF facilities or disposal locations, focusing on how the greatest diversion may be achieved.

All operational parameters, including collection times and vehicles, are the same as in the base proposal found in Section 2.A. Material will be collected as arranged but not less than once weekly. Pricing for this alternative is provided in Section 6.A.2.

3.F. Scheduled Pay-as-you-throw Clean-up and Bulky Service for SFD

California Waste Solution offers the City of Milpitas an innovative alternative to replace the Base Proposal component of four on-call bulky pick-ups. Our proposal is for unlimited, anytime, on-call collection for clean-up or bulky pick-ups. This pay-as-you-throw program will charge per item, rather than per appointment or by volume. Customers would call or go online with CWS to schedule their clean-up and bulky items collection, and pre-pay. The features are:

1) Customer goes online or calls in and requests a scheduled clean-up and/or bulky item collection;
2) CWS schedules a curbside collection date occurring within the next 10 days
3) Customer prepays for the items it has to recycle or dispose
4) CWS collects material on the day that is scheduled

5) CWS processes and reuses, recycles, or disposes of collected materials

The benefits to the rate payer and the City are greater flexibility, unlimited access, equitable charges (pay for what you use, and only what you use), and lower pricing, overall.

The pricing for this proposed alternative is provided in Section 6.A.2..

4. Environmental Considerations (Optional)

In this section, CWS features some of the aspects of its business and operations which enhance our service, optimize Milpitas' program, and are best practice to protect air, soil, water, and people from pollution.

4.A. Diversion Plan

CWS intends to make a major contribution to the City's goal of reducing annual tons sent to landfills, from approximately one hundred eighty five thousand (185,000) tons in 2011 to approximately forty-thousand (40,000) tons by 2030.

The CWS Diversion Plan implements action at multiple levels to achieve the greatest diversion growth and sustained diversion possible. The CWS plan includes:

- Effective communication with customers
- Strong public education tools and outreach
- Strategic routing of collection services
- Observant and reactive collection operations
- Responsive customer services representatives
- Employment of quality trained personnel
- Investment in and operation of a state-of-the-art processing facility
- Continual and exploratory new product marketing
- Operational Connectivity (OC) that combines all CSW resources toward this goal

CWS is a company that has built its foundation and market share on recycling. CWS does not own landfills in the United States and therefore focuses on achieving as much diversion as possible. Every ton diverted saves landfill fees and supports the overall company goal of maximizing diversion. Our internal and consulting teams will be working with each customer type to determine the best recycling service options to meet the City's goal.

Based on our collection and processing strategies and approaches presented throughout this document, CWS is confident of achieving the diversion mandate and exceeding the goal. Our higher than industry standard material recovery rates clearly demonstrate that our focus is on recycling. Our diversion program will be focused on changing the way that the public thinks about the waste stream and the strategy CWS is planning will take the recycling process a big step forward.

CWS understands that this diversion goal is ambitious and relies on fine implementation of a well-executed plan. CWS believes it is the contractor that can achieve this goal for the City of Milpitas. Achieving this high diversion goal requires thoughtful and deliberate action keeping in mind the following elements:

- Planning
- Training
- Public education
- Capital investment
- Operational implementation
- Recording and reporting of vital information
- Continual involvement from City of Oakland OPWA colleagues

Expanding "diversion relationships" with Commercial, Industrial and institutional customers

As a recycling oriented company, CWS first considers how to exclude high value materials from the disposable solid waste stream. An effective activity is a result of relationships built with commercial, industrial and institutional customers to anticipate and schedule recycling collection services around customer facility upgrade and capital improvements, at the time when extra packaging, building materials are arriving and departing form the site. Successfully intercepting such recyclable materials when and where they are generated is the most effective manner at diverting them from the waste stream because, they do not enter the waste stream. CWS will achieve this benefit by educating customers about anticipating their facility upgrades and working with CWS to schedule special collection services that preserve the quantity and quality of recyclable materials. CWS understands the value of this diversion service because of the many relationships it has developed both consulting and serving many such customers.

Recycling Awareness Training (SFD, MFD, City, and Commercial)

CWS will train its collectors to be cognizant of residences not participating in service, inappropriate setouts that result in contaminated recyclables, and opportunities to educate and inform residents about opportunities to recycle. Based on past experience with recycling awareness training in Oakland and San José, CWS estimates that it will annually reduce the residue in the City of Milpitas recyclables. Reducing contamination that damages good quality recyclable materials will improves the overall effectiveness of all recycling programs, and therefore, solid waste diversion.

Specialized Multi-family Support

CWS will extend to the City of Milpitas the same successful processes that significantly benefitted success with multi-family collections in its City of Oakland service area. That involves reaching out to the multi-family community to overcome challenges related to lack of recycling and access to traditional recycling containers and vehicles, manager and tenant turnover, lack of education and outreach aimed at residents and contamination issues. CWS will continue these efforts to boost participation and diversion of recyclables from multi-family residences by:

Ongoing Outreach - Successful MFD programs require regular outreach and relationships. CWS has achieved important rapport with MFD owners, HOAs, and management companies that result in greater service satisfaction, lower price, and higher diversion. Reminders about recycling should occur at least twice a year to address tenant turnover. Image-based messages help reach multi-lingual groups and those with varied literacy levels. To streamline efforts, messages should include signage in collection areas and color-coded and labeled bins and carts. Move-in /Move-out kits can be provided to MFD owners and managers to help bridge the gap in tenant transience.

Working with Property Owners and Managers - Successful programs depend heavily on the level of commitment from property managers. Problems unique to each MFD can be solved by working directly with owners and property managers. CWS will personally contact the property owners or managers of multi-family complexes to promote recycling services. CWS will attend homeowners' association (HOA) meetings and communicate with property management to distribute recycling services educational materials.

Conducting Site Visits and Right Sizing - Site visits provide face time with resident and managers, and opportunities to distribute educational materials and/or assess collection services. On these visits, CWS will verify service, assure adequate recycling capacity and troubleshoot problems that MFD account managers are having with their collection services. MFD accounts will be audited periodically to verify services/service levels.

MFD Recycling program participation is difficult to assess as not all units take advantage of the same level of service. While many buildings have been set up for recycling service at one point in time that does not mean that recycling containers are being utilized or that residents are actively participating. Site visits will help CWS to assess the need for future education and outreach activities aimed at boosting participation and diversion.

Residue Reduction (SFD, MFD, City, and Commercial)

CWS material processing plan aims to reduce the remaining residual to as small a volume as feasible based on the MRF processing equipment capabilities. Several of our strategies to reduce overall residuals out of the processing system include:

- Diverting loads of materials that clearly contain non-recyclable materials from entering the MRF
- Pre-sorting some non-recyclable materials on the tipping floor
- Re-running residual components through the processing line
- Recording and reporting of MRF performance daily so that beneficial tactical adjustments can be initiated quickly. Daily performance is analyzed to help CWS make beneficial strategic performance improvements
- Aggressive and on-going public education and outreach programs designed for commercial customers to train them in the proper use of containers and associated material types for disposal into the correct containers
- Maintenance of MRF equipment to ensure that all components operate at peak efficiency and recovery
- Application of CWS Continual Improvement Process (CIP) and Operation Connectivity (OC) programs that frequently bring together CWS managers and external resources to maximize operating efficiency

CWS's marketing operation has led the industry at developing sustainable recycling markets for difficult to market materials, and CWS has enhanced markets that are already considered mature and stable. CWS benefits from having its own trading operation and believes this feature provides it a competitive advantage. As part of our comprehensive marketing plan, CWS will seek out specialty secondary processors who can reuse hard to recycle items for sale to markets.

CWS maintains strong and continuous relations with all of its product buyers and continually seeks ways to improve the quality of products it produces to derive the greatest revenue. The company will work to identify and minimize secondary residue in materials provided to secondary recyclable processors such as paper mills, glass processors, plastics pelletizing plants, etc.

As an example, CWS recently developed a method for segmenting glass product into different sizes so it may market different sizes and qualities of glass that will be used for different purposes. As this process is tested and refined it could be applied to other CWS MRF operations.

Plastic Bag Recycling at the MRF (SFD, MFD, City, and Commercial)

To capture recoverable plastic film still present in the stream following Santa Clara County's single use plastic shopping bag ban, CWS may install a vacuum system over the fiber sort line that will terminate in

a small baler. Sorters will only be required to lift plastic bags high enough off the belt to be caught by the air current. This will result in less contamination in fiber product and a baled film plastic product that can be marketed.

Textile Bag Program (SFD, MFD)

CWS would like to introduce an optional program for the collection of textiles. Residents can place textiles and shoes in their recycling cart double-bagged, in clear plastic bags. The CWS driver will place them in the truck with the rest of the recyclables. The recyclable material will be unloaded onto the tip area and sent up the conveyer belt. The visible and clean bags of textiles will be sorted away from the rest of the material. CWS will partner with reuse stores in the area (e.g. Goodwill) to divert the reusable materials in these bags. Dirty or non-saleable textiles and shoes will be sold by CWS to materials markets. This additional recycling service is offered at no additional cost.

Large Sized Cardboard from Residences (SFD, MFD)

Residents may place OCC in the recycling container as part of standard collection and any excess cardboard may be placed outside of the container, flattened and in tied bundles not to exceed 3'x2'. As a customer convenience, CWS offers a special, optional and scheduled service to collect large amounts of cardboard (OCC) from residences. This service provides an option to customers who want to recycle but also want to limit the amount of cardboard placed at the curb so that pedestrian or automobile traffic is not blocked, or to prevent littering or material damage due to weather. This additional recycling service is offered at no additional cost.

Household Batteries, Used Cooking Oil, Used Motor Oil, and Motor Oil Filter Collection (SFD, MFD)

Collection drivers will collect household batteries that have been placed in sealed clear plastic bags on top of recycling carts. CWS will deliver these batteries to America's Best Battery for recycling.

Residents may request CWS delivery of gallon jugs for motor oil collection or for cooking oil. Filled jugs and bagged oil filters may be set out alongside recycling carts. CWS will partner with Evergreen Environmental for the recycling of these oils and filters. These additional recycling services are offered at no additional cost.

4.A.1. On-Sight – CWS's Proactive Illegal Dumping Collection Program

CWS proposes a quick action team that promptly collects illegal dumped materials "on sight" from public property, and helps report dumping on private commercial property. CWS embraces its role in Milpitas to go beyond emptying trash and recycling containers. The CWS On-Sight program is an extended feature of our bulky item and clean-up service.

We will operate areas of the city with the highest historic record of illegal dumping and our team will patrol areas during a variety of times routes. CWS collection trucks will be configured with GPS navigation, 360-degree camera and lighting system, for night time operations.

The intent of the CWS On-Sight collection program is to reduce and end illegal dumping in Milpitas by changing the behavior of the illegal dumpers. On-Sight can help prevent a property or street from attracting continuous illegal dumping by promptly picking-up illegally dumped material when they are seen.

CWS will continue its proposal for the optional Bulky Goods collection program, and it proposes complementing that Bulky program by applying the unused Bulky program funds toward CWS illegal dumping program.

CWS's On-Sight program includes the following important features:

- Focusing on the highest risk neighborhoods in our City
- Meeting with area community organizers and groups
- Coordinating with City staff and Public Works staff
- Communicating with community group leaders
- Reporting results to the City and Community
- Reporting observed perpetrators to the MPD

The On-sight program expansion, refinement, or discontinuance, is selected by the City and is based on CWS's reported results and achievement. The City and CWS will be proud to be able to discontinue the illegal dumping pick-ups because we were successful at ending that illegal dumping.

CWS proposes budgeting one rear load truck to this project.

4.A.2. Audits to Spot-Check Successes and Opportunities

Audit results inform future waste diversion initiatives by identifying materials that are not being diverted to their full potential. Through strategic periodic sampling, assessment of the efficacy of current diversion initiatives, subsequent analysis and planning, CWS will develop ways to incorporate diversion of those materials into our diversion program.

CWS will conduct audits of material in residential carts and containers on a regular basis. With the goal of increasing participation and realizing "clean recycling", CWS will inspect the material, commend residents for participation and provide further recycling education through collection notices, brochures and personal contact. Those with severe contamination will be visited by CWS staff. Findings will be reported to the City of Oakland and will include:

- Residential type (Single-Family or Multi-Family)
- Name, Address and contact information
- Audit results and findings
- Educational materials shared
- Personal contact made, if available

46 Our drivers and educators will work with our customers to right-size containers and prevent overloaded bins and messy set-outs.

All audit criteria and scheduling will be reviewed and approved with the City of Oakland prior implementation.

As discussed in the Reporting discussion in Section 5.2.6, CWS employs the Scrapware brand scale system software to track all inbound recyclables and routing into the MRF.As part of the Convoy routing software and collection services, CWS will track route statistics, which include all weight tickets for materials delivered to the MRF.CWS will enter all weight tickets that are direct-hauled. CWS will total monthly volumes by material types to summary over collection, processing, and disposal. This program provides accurate inbound and outbound weight of materials, by material type. Reports will be prepared for daily, monthly, quarterly, and annual achievements. Operating and report results will be used to evaluate the effectiveness of collection and public education programs and program modifications. Importantly, our reports system will enable CWS to forecast program needs and achievements for future months and years.

47 Material Bale Transportation

In the event CWS correctly implements all planned processes, but is unable to achieve its forecasted diversion goal, we will examine all of our operations and seek improvement wherever possible, and make changes to sustain and increase diversion. These changes may involve how:

- Materials are collected and processed
- CWS materials are marketed and sold
- Customers are educated and motivated
- Consuming industries evolve and develop
- Consumers purchase and use recyclable products

CWS may anticipate a possible need for reprocessing of some materials and will explore adjustment of the operation of equipment to ensure optimal performance.

CWS believes that the City of Milpitas possesses the characteristics that are intrinsic to continuing success, population growth by increasing household formations and business and industrial growth, and those factors include:

- Ambitious and industrious community
- Strong governmental leadership and vision
- Motivated residents and professional workforce
- High emphasis on education professions and vocational skills
- Desire for efficient and productive manufacturing and services
- Ability to develop and implement innovative ideas in the market place

For these reasons and other reasons, CWS has already anticipated a growth in the number of recyclables tons generated in the City. Therefore, CWS is already planning for process and equipment enhancements and upgrades at its upgraded mixed waste processing facility and MRFs for the City of Milpitas. There will be increased processing capacity and material processing selectivity to accommodate the growth in the amount of materials and emerging recyclable material markets. In addition, CWS believes that its own industry technology and technologies of alliance industries will enable greater diversion through new product developments.

CWS understands that a long-term successful program requires a good strategy, program development and education and outreach and feedback and adjustments. CWS plans for the following schedule of work in the City of Milpitas, as shown in Table 15.

Table 15 Diversion Program Action Item Schedule

Diversion Program	Action Item
April and May 2017	
Orientation and beginning education about new services	Activity: CWS Public Affairs and Public Education team increase public presence in Milpitas by hosting outreach and program meetings with: • Residential (single-family and multi-family) customers • Commercial and industrial customers • City, community services and infrastructure builders • Media and community reporters and informers Purpose: Orient and coordinate programs, outreach and education Goal: Establish an understanding and expectation among customers and CWS.
June and July 2017	
Meeting to prepare for program, vendor and service changes	Activity: CWS Public Education and operations management team meet with residents' groups, HOA's and property management companies, and top 50 largest Milpitas enterprises. Purpose: Complete refinements for new service start-up; renew and refine contacts; distribute literature and implementation schedules. Goal: Reaffirm relationships; address questions; anticipate and prepare for changes in service levels Develop CWS own driver work groups at knowing best participating locations and those areas of greater opportunity to improve, including sites with both high and low levels of participation and excellent and poor quality of participation.
August 2017	
Transition preparation for CWS operations and customers	Activity: CWS developing its supervisor, dispatcher and driver work team for Milpitas. Reviewing technical aspects of services, streets, and container placement, and understanding the best participating locations and those areas of greater opportunity to improve, Purpose: ensure a seamless transition of services and successful start-up and transition Goal: Achieving a seamless transition whereby customers are eased, receive and perceive service enhancements.
Transition Implementation, start-up	Activity: Closest monitoring of collection route success and completion; deliver of correct material streams to best diversion sites; observation of diversion operations.

Continuing Success and Continuous Improvements	
Emphasis on organic material diversion program	Expanding education to areas of greatest opportunity; reducing contamination; and right-sizing collection container
Program enhancements	Improving service and solid waste diversion
Large Sized Cardboard	Create a website interface where customers can request special large-volume cardboard collection
Household Batteries and Sharps	Distribute information about the programs
Textile and Plastic Bag Recycling programs	Become a partner in A Bag's Life (www.abagslife.com), a national campaign to reduce bag use, prevent litter, and encourage bag recycling
Reducing contamination and cross contamination	Refining changes in service levels for each line-of–business that result in improving solid waste diversion
Public Education	Roll out carts and other containers

4.A.3. Building Diversion Capacity in the Bay Area and Santa Clara County

CWS is a dynamic and growing company that wants to grow its capacity for diverting waste from disposal for our customers and our region. To that end, in preparation of this proposal, CWS explored several ideas to do so. We pursued drawings, permit information, industry expertise, and economic factors involved with the ideas. Due to their nature as complex, multi-year projects, CWS is not including these concepts as alternatives proposals at this time. Notwithstanding that condition, CWS *is* including in this proposal the information we gathered, and the proposition that if the City of Milpitas should select CWS for negotiations, we would be more than willing to further explore the costs and economics of these concepts for Milpitas and develop further their impacts on the City's rates and diversion efforts.

In this scenario, CWS would provide Milpitas processing by both CWS facilities and at local ally Green Waste Recovery/Zanker Recycling. In addition to providing the processing of residential and commercial recyclable materials at its Timothy Drive MRF, CWS would expand recycling and add anaerobic digestion services to its 1120 Berryessa Road facility. CWS would utilize the Berryessa facility for the processing and transfer of green and food organic material and soiled paper and construction and demolition materials. If this idea is actualized, Green Waste Recovery and Zanker Road would be alternative facilities to CWS.

CWS's transfer of MRF residue would only occur at a CWS facility after CWS has acquired the necessary permits for that operation. Favorably to Milpitas, at CWS's Berryessa facility we would employ the Wilkens trailer system that enables direct collection-truck-to-trailer receipt of MRF residue and prevent the need for CWS to acquire a comprehensive solid waste facilities permit until it selects a different method of material handling from the Wilkens trailer system. Alternatively, CWS would deliver MRF residue at the Green Waste Recovery transfer station or an alternative permitted disposal facility.

California Waste Solutions would offer Milpitas the following service details:

Yard trimmings and food scraps: Green materials

Yard trimmings and food scraps (green material) would be loaded into the processing equipment and screened and sorted to remove contamination materials that primarily include garbage, metal, glass, plastic and paper. Sorting is an active process whereby materials are removed from the green material and screening is a passive process whereby the smallest fraction of materials is removed by size and gravity. Acceptable green material advances to the material size reducer and sized into two (2) inches or less pieces. Smaller materials will be re-blended into the 2-inch material. The 2-inch organic material becomes feedstock for the either Kompogas or OWS dry anaerobic digestion system. Materials larger than are programed for either an on-site in-vessel composting or an offsite composting operation performed at a Zanker Recycling composting facility. Both OWS and Kompogas are successful and established international anaerobic digestion companies.

The Kompogas anaerobic digestion system provides a scientific and controlled biological and thermophilic process for organic materials that produces three products:

- Biogas used for the production of electric for the operation of CWS processing facilities and/or bio-CNG for the fueling of CNG trucks for the CWS's collection and support operations
- Liquid Fertilizer for the use as a high nitrogen agricultural or horticultural plant production
- Digestate for the use and production of compost and soil amendments for the agricultural, horticultural and landscape industries.
- Composting of digestate into soil amendments and fertilizer for the agricultural and horticultural and landscape industries.

Construction and Demolition – building materials, wood, concrete, drywall, tiles, metal flashing, windows

Construction and demolition materials would be initially scanned for largest materials to be removed and then remaining, smaller materials would be loaded into the processing equipment and screened and sorted to remove recyclable materials including wood, paper, plastic metal and glass. Sorting is an active process whereby materials are removed from stream and screening is a passive process whereby the smallest fraction of materials is removed by size and gravity. The smallest screened faction and materials not actively removed by sorting would be delivered in commingled fashion to the GWR/Zanker Recycling or Newby recycling facilities, as may be directed by the City of Milpitas.

Temporary Debris Box Service – residential, commercial and industrial roll off box service

Temporary debris boxes collected from residential, commercial and industrial sites are commonly destined for the delivery and processing at the Berryessa MRF facility, and might also be detoured to either Zanker Recycling or Newby recycling facilities. CWS collection manager, dispatch and drivers will assess the content of temporary debris boxes and directly such boxes containing mostly recyclable materials to the Berryessa MRF facility so that we would process and achieve the greatest solid waste diversion for Milpitas. Other boxes that contain mostly not recyclable material will be directed to either the Zanker, Green Waste Recovery or Newby recycling facilities and transfer stations or landfill.

The combined solid waste diversion activities of CWS's Berryessa MRF facility will benefit Milpitas by increasing its own diversion rates for new green material program. From these programs CWS forecasts diverting 50 percent of incoming materials.

CWS would introduce, engage and explore these enhanced processing and diversion offer If and when the City of Milpitas desires to enhance its services.

The following figures show an initial site plan created for us by JR Miller & Associates, along with some photos illustrating the types of technical components envisioned for the site.

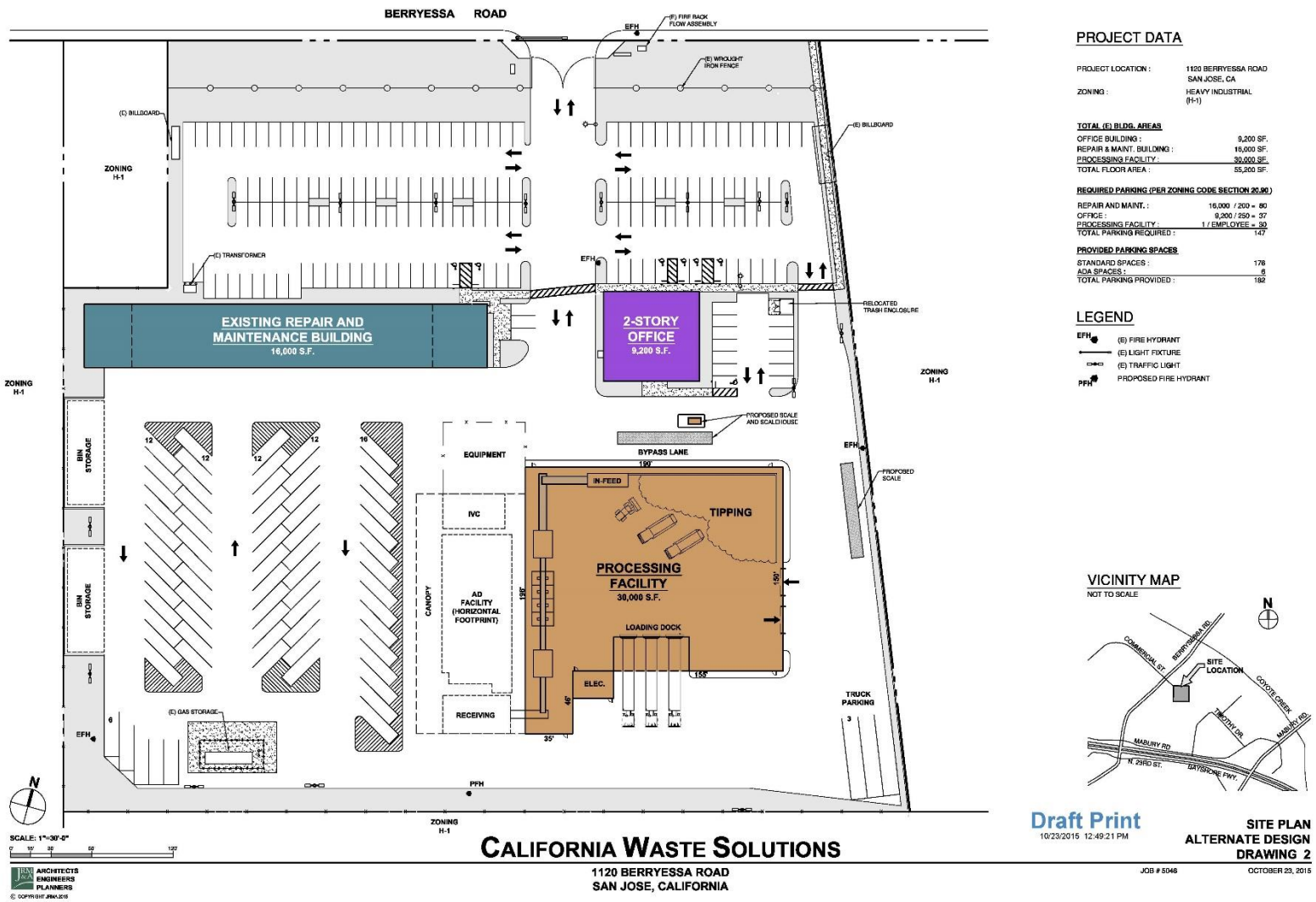


Figure 8 Draft Site Drawing – Berryessa Rd. Processing Facility

48 Aerobisation Tunnels (Kompogas)

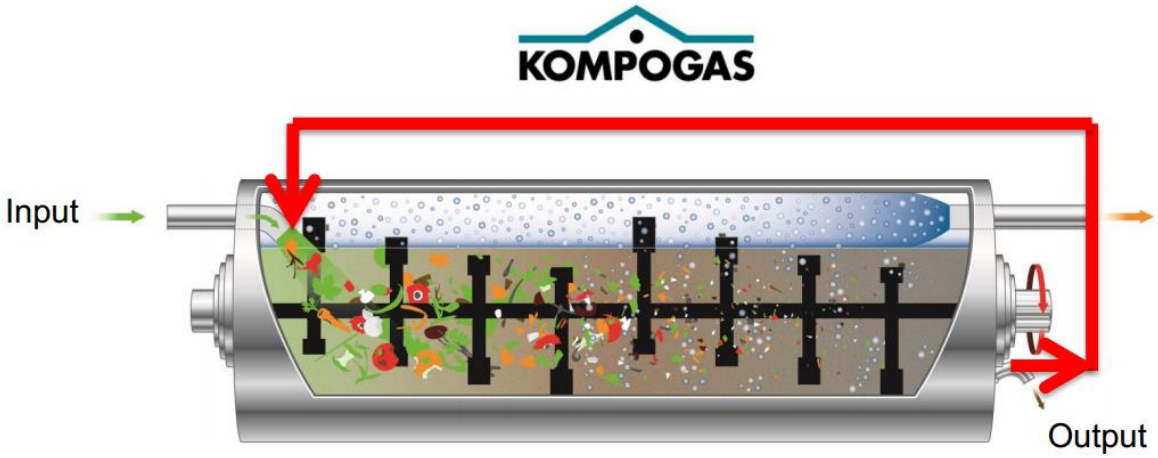
49 Combined Heat and Power Plant (Kompogas)

50 Press and Decanter (Kompogas)

51 Liquid and Gas Storage (Kompogas)

52 Kompogas Plant (Kompogas)

53 Turning Waste Into Vehicle Fuel



54 Diagram of Digester (Kompogas

This page intentionally left blank

5. Acceptance of RFP and Franchise Agreement

This page intentionally left blank

6. Cost Proposal

6.A.1. Base Cost Proposal

6.A.2. Cost Proposal for Alternative Services

This page intentionally left blank

7. Other Proposal Forms

7.A.1. Secretary's Certificate

7.A.2. Anti-Collusion Affidavit

7.A.3. Iran Contracting Certification

This page intentionally left blank

8. Attachments

Attachment 1 Affiliated Companies and Team Firms

Attachment 2 Bank and Financing Letters of Support

Attachment 3 City of San José Reference Letter and Certificate of Commendation

Attachment 4 California Waste Solutions (CWS) Solid Waste companies and facilities in Vietnam

Attachment 5 Labor Agreements

Attachment 6 Public Outreach Samples and Past Event Participation

Attachment 7 Additional Vehicle and Cart Information—Brochures

Attachment 8 Proposed Equipment—Vehicles, Containers

Attachment 9 Transition Schedule—Gantt Chart

This page intentionally left blank

9. Financial statements; additional material may be included at proposer's discretion (Optional)

Audited financial statements for 2014 are included under a separate cover, sealed envelope that accompanies this proposal.

California Waste Solutions, Inc. is a minority, privately held company. As such, the audited financial statements are not filed publicly and are not provided for public use. Disclosure of the financial information contained in the audited financial statements is generally limited to creditors and other users relying on the financial statements as a way to evaluate CWS's financial condition. Public disclosure of CWS's audited financial statements and the information contained therein may put the company at a competitive disadvantage.

CWS requests that the City of Milpitas make every effort to treat the audited financial statements as confidential. While we recognize the obligation to comply with the California Public Records Act, we believe that the information contained in the statements should be treated as confidential and should not otherwise be disclosed.

This page intentionally left blank